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FBIS-EEU-92-082 *28 April 1992*

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Yugoslavia

Belgrade radio on 27 April carries a live reading in the SFRY Federal Assembly Chamber of a declaration adopted on the policies of the newly declared Federal Republic of Yugoslavia (FRY). After announcing that the new state accepts "all the basic principles of the Charter of the United Nations and the Helsinki and Paris Charters of the CSCE," the declaration states that the FRY, "continuing the state, international-legal, and political status" of the former SFRY, "will strictly adhere to all the obligations that were undertaken" by the SFRY. The new state will recognize "the rights and interests" of the former Yugoslav republics that are now independent "after the outstanding questions that are being negotiated within the framework of the conference on Yugoslavia have been regulated." The declaration asserts that the FRY "remains ready" to negotiate "issues connected with the final division of assets and liabilities" and "will be ready to accept" international arbitration if neccessary. Regarding border issues, the declaration assures that the FRY "does not have any territorial pretensions toward anyone" in the area.

Bosnia-Hercegovina

Sarajevo radio on 27 April carries a report on the decision of the Republic Presidency to call for the withdrawal of Yugoslav People's Army (JNA) units from Bosnia-Hercegovina. JNA soldiers who choose to stay "are invited to put themselves at the disposal" of the Republic. The statement calls for the surrender of JNA weapons and equipment to "the relevant authorities of the Territorial Defense of Bosnia-Hercegovina." The final disposition of this equipment will be "decided upon in an agreement on the final division of assets and liabilities."

Croatia

Zagreb radio on 24 April reports remarks made by Chairman of the EC Council of Ministers Joao de Pinheiro; Lord Carrington, chairman of the European Peace Conference on Yugoslavia; and Croatian President Franjo Tudjman following talks regarding the Yugoslav crisis. Pinheiro expressed his pleasure that Tudjman had accepted "the basic lines that we are proposing" and called for support from "all sides directly or indirectly interested in the Bosnia-Hercegovina situation..." Tudjman stated that Croatia would give its "full support" to the efforts "invested to find a peaceful solution" and "put a definite end to the war in Croatia," and to "find a peaceful solution to the situation in Bosnia-Hercegovina." Tudjman also expressed concern over "the eviction of the Croatian people and other non-Serbian nations from occupied territories in Croatia" and hoped the deployment of peace-keeping forces "would bring about an end to such activities." Lord Carrington welcomed Tudjman's support and evaluated it as "of great importance" in achieving peace in Bosnia-Hercegovina.

Berisha Wants Land Distributed According to Law

AU2804064692 Tirana Radio Tirana Network in Albanian 1730 GMT 27 Apr 92

[Text] We begin the newscast today with information about a very important problem—land distribution according to the law. There are delays and obstacles in this regard, which righteously constitute a great concern, not only for the simple peasant but also for high-level officials.

Concerning this problem, the president's Press and Information Office informs us that President Sali Berisha has recently received complaints from various peasants about delays and obstacles observed in the land distribution according to the law. The president of the Republic again expresses the absolute determination of the state to distribute land according to the law. He insists and asks the government to give priority and take all measures to distribute the land as soon as possible in conformity with the existing law and to accelerate the distribution of title deeds and registration in the Land Registry for the given land. To accelerate this process, the government and the Ministry of Agriculture may reexamine the composition of the Central Commission, districts' commissions, and their jurisdiction to distribute land as soon as possible in conformity with the existing law.

Council of Ministers Discusses Privatization

AU2604200692 Tirana ATA in English 1708 GMT 26 Apr 92

[Text] Tirana, April 25 (ATA)—Today on April 25, 1992, the meeting of the Council of Ministers was held. It was chaired by Mr. Aleksander Meksi, chairman of the Council of Ministers. It examined some important problems and adopted the respective decisions.

The meeting discussed on the reform in the districts' executive committees. Taking into consideration the new political relations created after March 22 elections and the freeze of work in many of them, the Council of Ministers decided to change their makeup and running.

The meeting also discussed on the application of law "On Privatization of State Enterprises."

In order to further improve and complete the legal and sublegal acts of the process of the transition of state property into private property, the Council of Ministers decided to suspend this process till May 30, 1992 in order to revise the approval of provisions by the respective organs.

The government also examined the violations and abuses by the organs charged with granting squares for construction. It also treated of the problem of building various objects on no criteria in touristic centers.

To this end the government decided to suspend for a time this activity and charged the ministries to urgently draft the decision for activities in these fields.

Another issue treated of at this meeting was also the creation of a working group with representatives of the Ministry of Justice and that of finances and economy on problems of the ownership of political and social organizations.

It examined the proposal forwarded by the Ministry of Justice. This proposal will be submitted for approval to the People's Assembly for a supplement to the law "On the Working Relations" which foresees that the Article 24/1 be adjusted to the Article 24 with the following content:

"For special needs related with the improvement in the functions and structures of the state apparatus to translate in life the economic and political reform for passing onto market economy and the establishment of rule of law, the competent organ has the right to transfer its employee into another work place in the same trade or give him social assistance."

In the end the Council of Ministers listened to the information presented by the Minister of Economy and Finances Mr. Genc Ruli on the negotiations being held with the International Monetary Fund for the application of the economic reform.

Defense Minister: Army Size 'Must Be Cut'

AU2704132392 Tirana ATA in English 0900 GMT 27 Apr 92

[Text] Tirana, April 27 (ATA)—The newspaper ZERI I RINISE carries an interview with the minister of defence, Safet Zhuiali, who stresses among others that it is indispensable for the Army to return to the barracks. The division of the Army into 1,500 units has damaged it. It is thought of making a new restructuring of the Army with big units. At the same time the concentration of the Army is also linked with the political developments at home and in the region. The number of officers and soldiers must be cut, not only due to expenses, but also that the Army be in compliance with the size of the country, the political structures and strategy. Our farthest strategy is to go towards a professionist army.

Regarding aid coming from abroad, Mr. Zhulali stresses that we ask for experts and counselors for these questions we are interested in. Cooperation in this field has begun. Military attaches have been accredited by the embassies of the states as the U.S.A., Italy, Turkey, and Greece in Tirana. The same will happen soon with Hungary, Austria, Germany, etc. We have also reached an agreement for sending military cadres to get schooling abroad. Soon some of our specialists will leave for the U.S.A., Italy, Austria, etc., at a time when others have gone to get schooling in Turkey.

With regard to the possible integration of Albania in the European military structures, the minister of defence stresses that negotiations have begun by now. Our initial aim is to get the status of the observer in NATO. Meanwhile, we are aware of the fact that it will take time to get membership in this organization. As auxiliary factors in the policy of friendship, moral support, and

the defence of human rights of the Albanians, Mr. Zhulali pointed out, I would point out Turkey and Germany.

PSS Complains of Bias in Radio, TV Reporting

AU2704112992 Tirana ZERI I POPULLIT in Albanian 10 Apr 92 p 1

[Musa Ulqini report on statement by the Socialist Party parliamentary group issued in Tirana on 10 April: "Partial Silence by the RTSh"]

[Text] In the name of the Socialist Party [PSS] parliamentary group, I express my concern about the way Albanian Radio and Television [RTSh] has been broadcasting the recent proceedings of the People's Assembly.

1. The People's Assembly proceedings are the center of attention of the overwhelming majority of the public. This is because everyone is waiting for a solution to the great problems related to the future of the country and democracy, such as the problem of the election of the president, election of the government, etc. The RTSh has apparently decided not to satisfy this legitimate demand of Albanian citizens. The RTSh is not broadcasting in full the report "From the People's Assembly Proceedings," but it is satisfied with partial comments presented by its correspondents, as happened yesterday.

In the name of the parliamentary group, we protest against the RTSh's attitude and insist that a full report be broadcast on the People's Assembly proceedings about such important problems as we have recently been discussing. We hope and believe that the new democratic state, which is making its first steps toward the institutionalization of democracy, will not restrict the rights of its own citizens, but expand them, and in our specific case the right to be informed, as one of the most basic rights recognized by all the international documents on human rights and freedoms.

2. The comments so far by the RTSh special correspondent have in several cases been as inaccurate as they are partial. The distortions done to the constructive attitudes held by the PSS parliamentary group are flagrant. The RTSh's interpretations of the discussions of the socialist deputies are erroneous. Regarding political bias, these comments are the same as in the time of monism [Hoxha regime]. We cite some specific cases:

—They blame the parliamentary socialist group for some delay in the proceedings of the parliament's sessions.

—Concerning several discussions or various intercessions by deputies, the correspondent gives his own opinion by describing them as correct or unnecessary. In fact, the duty of a RTSh correspondent is solely to inform people about what is happening in the People's Assembly. Thus, for example, correspondent Alfons Gurashi made this evaluation of the answers given by the Mandate Commission chairman to questions asked by the socialist deputies: The answers were precise! In fact, the chairman did not answer many of their questions.

In the RTSh's report in the last newscast last night, the RTSh special correspondent said that the deputies of the Democratic Party and several from the PSS had signed the bill on abolition of communist symbols, implying that the other part of the socialist group did not sign. In fact, according to the current regulations, a group of 35 deputies alone had to sign this bill and submit it for approval to the People's Assembly. The correspondent forgot to say that all the parliamentary groups had voted unanimously for abolishing the communist symbols.

Finally, we want to stress again: We ask the RTSh to be impartial in broadcasting the People's Assembly proceedings as it is defined by law.

Dimitrov Delivers Report at SDS Conference

AU2204135692 Sofia DEMOKRATSIYA in Bulgarian 16 Apr 92 p 4

["Political Report of Filip Dimitrov, chairman of the Union of Democratic Forces National Coordinating Council" and Prime Minister, read on 11 April in Sofia at Fourth National Conference of the Union of Democratic Forces]

[Text] Esteemed ladies and gentlemen, in the last 10 months since the Third National Conference of the Union of Democratic Forces [SDS] Bulgaria has experienced events whose importance can only be compared to the establishment of Bulgarian sovereignty after 1878. The SDS was the moving force behind these events. This was determined by several factors:

1. The SDS was the only political force that refused to accept the passivity that was established at the Grand National Assembly, and demanded that new elections be held and a political change effected.

2. The SDS was the only political force ready to assume power in the country and responsibility for its rule.

3. The SDS was the only political force ready to effect radical changes in the sphere of ownership that would affect both the political organizations and the citizens.

I must point out that this SDS characteristic was not recognized by all, especially at the beginning of this period. After the split in the parliamentary faction, caused by the voting on the Constitution and the walkout of the 39 deputies, an impression emerged that many voters have doubts as to who precisely expresses the principles and ideals in whose name the SDS was established. However, gradually, the behavior of the National Coordinating Council, aimed at conducting new elections as a prerequisite of effecting real changes, the hunger strike and tenacity of the deputies who pointed out the shortcomings of the Constitution and demanded new elections, and the definite announcement of the SDS that it is prepared to assume political power, create a government, and put into practice the objectives of its program, made everything more clearly defined, and the great part of the voters understood that it is the SDS that truly expresses the desire to effect reforms and decommunize society. This predetermined the election result, on whose basis it became possible to form the SDS government. Those results also showed that the political forces that failed to assume a position on the basic issue—reformed communism or a reform aimed at eliminating communism—were reduced to marginal political phenomena of questionable value.

The SDS election victory showed that it is possible to defend the position of a bloodless transition, and the toppling of the Communist Party through a parliamentary procedure, something which for its part guarantees stability in the country. It also demonstrated that a basic section of the SDS supporters are sufficiently aware of the necessity to effect changes throughout the political and economic life, even at the cost of difficulties and effort, and that the SDS expresses the aspirations of most people, regardless of the "split" and the dark prophecies of those who doubted the fact that the SDS is the basic political force in Bulgaria.

Simultaneously, the election results posed several important questions related to:

—The inability of a large part of the population to relinquish the utopian ideal of "reformed communism";

—the influence that the Communist Party continues to exercise over the social processes through preserving many key positions in social life and a great part of its property, something that allows it to disinform and threaten the people;

the continuing need for unity on the part of the anticommunist forces in implementing a nationwide program on eliminating communism.

The establishment of the SDS government and the natural tension related to this has already demonstrated that it is impossible to find a formula that sufficiently satisfies all parties and tendencies in the union. Such a formula cannot be perfect, but the one that was found corresponded to the necessity of finding those balances that guarantee the existence and functioning of the union. Simultaneously, the lack of nationalistic prejudices on the part of the SDS and the democratic orientation of the Movement for Rights and Freedoms [DPS] facilitated the formation of a stable parliamentarian majority that guarantees the future development of the democratic processes. The prophesies about instability and about the SDS being a hostage to the claims of the DPS proved futile because the circumstances convincingly point out that against the background of respecting and guaranteeing human rights, the two formations have common interests aimed at ridding the country of communism, and that therefore there is no real reason for conflict between them.

The SDS's assumption of power was preceded by certain processes that increased the difficulties the union faced. For almost two years the changes in the country were slow and hesitant. The Communist Party, unlike similar parties in the former communist countries, did not relinquish power voluntarily, refused to part with its property, and prevented the adoption of laws at the Grand National Assembly that could jeopardize its control over the economy, and eventually, cause a change in the structure of ownership. When, at the end of 1990, the scope of the economic crisis became obvious, it allowed only a part of the reform to begin, and stubbornly blocked all other components of the reform. A vote on returning the land was adopted, without dismantling the existing Agrarian Cooperative Farms [TKZS]. A law on demonopolization was adopted without removing the regional monopoly structures. A trade law was adopted

without any hope of quickly adopting a law on privatization. Those were absurd developments, totally controlled by the communist majority in the parliament. They made it impossible to effect any structural changes in the economy, substantially impoverished the people, irritated the population, and prompted it to demand immediate changes. Therefore, the SDS's assumption of power was greeted by expectations of literally immediate changes, implemented at lightning speed. The first parliamentary acts were attacked as "undemocratic." A campaign was conducted in all mass media that pointed out the unstable character of the parliamentary majority and the imminent fall of the government. The first threats of strikes and accusations of a lack of a program and of idleness began in the last days of the first month of the government's work. The slogan that spread throughout the country proclaimed that "nothing is being done." All that time the SDS parliamentary faction was struggling to pass the fundamentally important laws in the National Assembly. After the law on the property of the Bulgarian Communist Party and the official organizations, additional laws were adopted on investments, banking, restitution, and on amendments in the law on agrarian lands. The National Assembly is presently debating the law on privatization. In connection with those laws, the first quarrels and contradictions have emerged. This is a regular phenomenon against the broad scope of the SDS coalition. In this context it must be pointed out that the SDS representatives in the parliament and the government succeeded in showing the necessary wisdom, and instead of an irreparable quarrel a solution was worked out. It was sufficiently satisfactory to all currents represented in the SDS. Thus, the draft law on privatization can justifiably be considered a draft worked out by the SDS.

In the meantime, the government succeeded in taking several significant measures. In addition to issuing various normative documents, it prepared a detailed declaration on the conclusions, activity, and intentions relating to the preparation of the budget, and this has already been adopted. The budget guarantees the financial foundation of the government, against the background of the incredibly grave economic situation. New agreements with the international financial institutions were prepared. A serious step toward resolving the foreign debt problems was made with the preparation of a proposal that was submitted to the bank-creditors. The proposal was accepted as a basis for further talks. Intensive international activity was developed. It aims at asserting Bulgaria's position in the world and attracting the interest of foreign capital. The president has developed intensive activity in this direction.

It is important to point out that throughout this period relations within and between the central institutions of the government were far from calm. Naturally, certain contradictions result from flaws in the Constitution, which is very imprecise in establishing the balances between the government branches. Other contradictions stem from the broad character of the coalition. Yet others are related to the understandable irritation of the people, who would like to see faster and more efficient changes that would guarantee greater rapidity in overcoming the crisis and improving the citizens' lives, even when it is clear that it is hardly realistic to expect this within a brief period of time. Other contradictions are related to the fact that this is the first time that the SDS and its representatives have assumed power, and that they must gradually master governing skills and conquer positions in the separate structures of the government, where some of the old people, and mostly the old stereotypes, have great influence. However, it must be stressed that in this strenuous situation the SDS succeeded in preserving its unity and prevented these contradictions from developing into lasting conflicts, being able to find mutually acceptable solutions that guarantee the necessary space for the institutions' activity. In other words, the SDS proved that it can rule. This also explains the positive assessment we receive from many friends abroad.

Naturally, it is inside the country that the incredibly grave conditions, the problems, and the troubles the Bulgarian people are experiencing today, are felt most. The slow pace of effecting personnel changes in all spheres of the administration and economic management, are painfully noted. There are many complaints related to this phenomenon. On the other hand, the attempts to accelerate this process repeatedly led to disappointment and to the inability to combine in a universally acceptable manner the requirements of the local structures, trade unions, and central institutions. The application of the law on the property of the parties and the official organizations also encounters difficulties. In this context tension emerges between the local and central organs. The delay in the activity related to seeking responsibility from the culprits of the economic reforms, the camps, and other crimes is also being accepted with dissatisfaction. For practical reasons, this became possibly only lately, after certain changes were effected in the judicial, prosecuting, and investigating systems. This was another result of the delay in the adoption of the Constitution. The organs of local self-management and the oblast administrators are encountering similar difficulties. All this exacerbates the internal tension within the SDS and undermines our supporters' faith in the successful outcome of our efforts. Nevertheless, albeit slowly and amidst difficulties, those processes are also being implemented. We understand that restoring the normal functioning of the judicial and other related systems, along with the laws and their application will give a decisive impetus to developing democracy and the economic reform. It is only through categorical sanctions against the crimes committed in the past, and the theft and corruption of the present that a social order can be introduced within whose framework the democratic processes in politics and the economy could successfully develop.

The following conclusion can be drawn on the basis of what I have said so far:

1. Despite the grave situation in the country, the profound economic crisis, and the permanent pressure it has been subjected to by almost all opposition forces and the still surviving communist structures, the SDS has demonstrated that it can rule the country. If it is to successfully continue, it is absolutely necessary to preserve the unity of the SDS at all organizational and administrative levels, to seek mutually acceptable solutions, ignore the party and personal disagreements, and seek the common elements in the goals and intentions.

2. The first stage of SDS rule has been implemented. It was related to the necessity of adopting the laws most urgently needed, working out the programs and normative acts related to their application, forming the most crucial power structures, and outlining the framework of cooperation and contacts with the international organizations, formations, and financial institutions, without which Bulgaria's progress is unthinkable. This necessitated changes in the power structure at various levels, namely, the adoption of constituent laws related to the activity of certain institutions, such as the Ministry of Internal Affairs, the oblast administrations, and the organs of local management. Additional changes will be effected in the cabinet after the final adoption of the law on privatization through dividing and restructuring certain ministries, creating additional operational structures in the cabinet, and activating the renewal of personnel in the administrative apparatus, its lower levels, and the economic leaderships.

3. It is unlikely that the SDS will soon enjoy the opportunity of ruling in a calm atmosphere. The constant pressure on the part of the opposition forces, which are related to the communist manner of governing, and their attempts to consolidate, will continue. In addition, the inevitable difficulties related to certain urgent measures, and their unpopular character, will serve as a pretext for attacks from various directions, and attempts to restrict the social space of the union. Indicative in this context are the attempts to present restitution as the private problem of several former owners, and privatization—as a means of enriching a few people, and all other measures which inevitably take place throughout the world (at many places at the cost of even greater suffering, difficulties, and lowering the standard of living)—as the crazy idea of a few people. In this context the former Communist Party tends to present itself as a coalition, as indeed do other insignificant political organizations with a view to creating the illusion of a broad and diverse social basis. To assert the coalition character of the SDS under such conditions is of great importance. The same applies to developing relations with other democratically oriented political forces. The experience with the DPS is indicative in this context. The close relations with the DPS must be assessed highly and developed. The extraparliamentary democratic formations are also valued partners for the SDS. An agreement has already been signed with the Coalition for Turnovo Constitution, and a similar agreement will be signed with the Nikola Petkov Bulgarian Agrarian National Union [BZNS].

4. The activities of the coordinating councils at the municipalities and their relations with the local administration organs have exceptional importance in preserving and expanding the circle of SDS supporters. The central media facilitate the clarification of administrative decisions and problems. It is on the mass media that the attitude toward the SDS actually depend. Failing to find prudent solutions, conflict, unrealistic, or unfounded personal proposals, and corruption could have a fatal influence. On the other hand, realism and prudent behavior will help the cause considerably prove that the SDS can rule at all levels.

5. In our future activities we must note the following merits and shortcomings of the union with a view to asserting the merits and eliminating the shortcomings: **Merits:**

a) Rejecting unprincipled compromises, consistency in pursuing the political goal, clearly outlined positions of restoring private property, asserting market principles, eliminating the effect of the communist ideologization of society, seeking responsibility from the national catastrophe culprits, defending the democratic institutions, or in other words—decommunization. Adhering to peaceful methods and defending human rights;

b) Having the ability to find mutually acceptable solutions. This ability was repeatedly demonstrated under dramatic circumstances. Having the ability to rule.

c) Tolerating other democratic organizations and preventing inadmissible competition. **Shortcomings:**

a) Lacking sufficient organization at all levels, having an excessive inclination toward improvisation, inability to fully listen to the explanation of others even under calm circumstances, and adopting decisions in an impulsive rather than amassing experience in a prudent manner;

b) Utilizing the coalition principle for the achievement of personal dominance, especially at the local level;

c) Experiencing difficulties in relaying information, lacking a serious sociologically-based attitude toward adopting decisions and working out plans;

d) Experiencing difficulties and making numerous mistakes in selecting and promoting cadres, lacking a preliminary system of implementing tasks related to training people. Experiencing constant difficulties in finding the necessary people, something that creates the impression of having a closed or caste-like character.

Against this background we can describe in the following manner the tasks that the SDS presently faces:

1. Preserving and strengthening the coalition and the separate organizations within the coalition. Subjected to attacks from all directions, the SDS must clarify the framework and inevitable character of the measures that are being adopted, simultaneously demonstrating that its representatives are prepared to assume the responsibility and adopt decisions, without having to hide behind the

past heritage. It must be clear that on the one hand, the possibility for changing everything quickly is negligible, and on the other that the SDS is prepared to assume responsibilities at all levels. This is necessary in order to sharpen the perception of the SDS as a political force in power, which behaves prudently, seeks positive solutions, and proposes alternatives. Last but not least, we must point out our readiness to oppose violations and our intolerance of corruption, which otherwise could turn into a basic liability for the SDS. There have been and always will be corrupt people. The political force which does not persecute them but allows itself to be identified with them, is doomed.

2. Seeking more active contact with other democratic formations. Both at the center and locally, confidence must be shown in the representatives of those formations. Whenever possible, they must be attracted to participating in the implementation of the democracy goals. As a ruling political force, the SDS must make maximum effort to unite all democratic formations around those goals and inevitable immediate goals, which affect everyone.

3. Developing the role of the institutions. Facilitating and supporting the activity of central and local organs is a basic element in the role of the SDS as a ruling power. As a political organization, the SDS is where the will of the voters and the operations of the institutions intersect. On the other hand, the SDS voters and supporters surpass by many times the number of organized members. Therefore, if the future activity of the union is to be as efficient as it has been so far, it is necessary that our supporters see the SDS not as an entity that opposes the institutions but as an organization that expresses itself through those institutions. It is precisely the mandate that the voters, rather than the parties, give the institutions that shows the difference between totalitarian parties and democratic organizations. On the other hand, this means that the institutions themselves must seek mutually acceptable solutions that correspond to the common goals and program while preserving the separation and balance of powers. It is the basic task of the SDS to implement the parliament's legislative program. The actions of the government are compatible with its declaration of intentions, and they facilitate the activities of the presidency and the judicial system.

4. The immediate tasks that the SDS leadership must implement also are related to certain basic directions, some of which I have mentioned already. They are as follows:

a) Reassessing the new conditions of the structure of the government and the local organs of administration, taking them into consideration, and asserting greater efficiency in adopting and implementing decisions. Adopting measures on attracting new people to support their activities both through legislative measures (changes in constituent laws), and administrative acts;

b) Intensifying the effort related to asserting law and order and mobilizing the judiciary in the struggle against crime and corruption;

c) Meeting the requirements of international financial institutions to introduce market principles in managing the economy and resolving the issues related to further liberalizing prices, effecting real demonopolization, facilitating and stimulating the private initiative, and overcoming the burden of "bad debts";

d) Beginning intensive effort to apply the laws concerning the land and privatization;

e) Establishing the foundations of the new social system and social security funding;

f) Developing foreign policy activity aimed at asserting Bulgarian prestige as a democratic state, participating in the international structures, which could stimulate the democratic processes, and attracting foreign investments.

In conclusion I would like to say the following: Today the SDS is the only political force that can lead the country out of the economic crisis and make it a normal state. This is not at all easy, however. It means that we have to fully drink the bitter cup and receive all the reproaches while we implement our tasks. We declared, however, that we assume the responsibility for doing all this, and we will do it!

Food Industry Operating at 40-Percent Capacity

AU2704075992 Sofia PODKREPA in Bulgarian 21 Apr 92 p 2

[Yuliana Boncheva report]

[Text] The food and tobacco industry is presently operating at barely 40 percent of its capacity. The main reason for the drop in output is the shortage of agricultural products for processing. Milk production decreased from 2.2 billion liters in 1990 to 1.7 billion in 1991, and experts forecast that milk will be even more scarce this year, predicting an output of about 1.5 billion liters. The production of canned goods and meat products is also falling. Sugar beet refining has declined drastically. During the last 10 years annual output has fallen from 1.7 million to about 0.6 million tonnes today. The leading sectors producing cigarettes and wines have shrunk to half their former size. In the last decade tobacco leaf production has fallen from 140,000 to 75-80,000 tonnes, while grape production is half its former figure of 600,000 tonnes.

Specialists of the Ministry of Industry and Trade believe that for many years the food industry has subsidized loss-making agro-industrial complexes and labor cooperative farms. The experts claim that the ruinous state of the two sectors from the production, technological, ecological, and financial aspects is due to the enforced impoverishment of agriculture and the food-processing

industry, which today relies on decrepit equipment and technologies 20 years out of date.

The companies of the food and tobacco industry encounter market problems even when operating at low capacity. Until recently, over 80 percent of their output was shipped northeastwards to the fraternal Soviet Union. This vast but now fragmented market is hungrier than ever for goods, but the successors of the Soviet empire have payment difficulties. The cost of food has also obliged the Bulgarian to feed himself more economically, thus closing the fairy ring in which our food industry is languishing.

In the search for a solution, managers are again turning their gaze to the West. Big capital in advanced Europe is extremely interested in setting up joint ventures with our canning and bottling enterprises and our firms producing wine, beer, milk, and cigarettes. The experts of the Ministry of Industry and Trade recommend that our companies that have taken over from the ruined monopolies should show more flexibility and independent initiative. Under the Commercial Act, their transformation is due to be completed by the end of April, and the list of the first facilities to be privatized includes 15 food and tobacco enterprises. The Economic Reconstruction Aid for Poland and Hungary [PHARE] Program will finance projects to revive the canning, dairy, and meat industries. Bulgarian specialists will take part in the PHARE Commission on the Food Industry in order to decide by tender which Western partners will carry out the projects.

Study Finds Population Flow to Cities Reversing

AU2804075192 Sofia BTA in English 0716 GMT 28 Apr 92

[Text] Sofia, April 27 (BTA)—1991 saw new trends in internal migration in Bulgaria, according to Sergey Tsvetarski of the Population and Demographic Processes Department of the National Statistical Institute. Compared to the last ten years internal migration went up, but in a direction opposite to the hitherto prevailing trends.

Some 228,000 Bulgarians changed their place of residence in 1991 against a total of 150-160,000 in the previous ten years. This indicates an increased mobility of the population, Mr. Tsvetarski says. Only a specialized study can follow migration processes in detail and reveal its exact causes. However, even without such a study it can be concluded that the number of Bulgarians who prefer the country to cities is going up. This may be marking the beginning of a new tendency which will characterize the population's movement in the next five to ten years, specialists believe.

The great migration boom in Bulgaria took place in 1950's, a few years after communists took power. A mass collectivization was carried out in the country. The priority given to heavy industry drove many Bulgarian farmers to the towns in search of a new living. Quickly built residential districts appeared. Towns had transportation and food supplies difficulties for a long time.

The reverse tendency of moving back to the country may grow stronger following the passage of the Land Act which restores completely the ownership over arable land to its former owners.

Military Experts To Withdraw From Libya

AU2704125992 Prague CSTK in English 2130 GMT 23 Apr 92

[Text] Prague April 23 (CSTK)—Czechoslovakia has not supplied any military equipment to Libya in the past few years, Czechoslovak deputy foreign trade minister, Josef Pancir, today told a press conference, following a Czechoslovak Government session.

He said Czechoslovakia sent the last delivery of spare parts for infantry combat vehicles to Libya this March.

Pancir pointed out that at present none of the licenses for the delivery of Czechoslovak military material to Libya is valid.

Pancir said that 25 of the 47 Czechoslovak nationals who work at the L-39 plane repairing plant in Libya, situated about 900 kilometers south of Tripoli, have obtained exit visas.

He said one Czechoslovak citizen has already returned home, the others are to come back between May 20-30. "We have also applied for exit visas for the rest of our experts," he added.

Dienstbier Critical of 'FRY' Proclamation

LD2704195592 Prague CSTK in English 1928 GMT 27 Apr 92

[Text] Prague April 27 (CSTK)—Monday's proclamation by Serbia and Montenegro of the constitution of the Federal Republic of Yugoslavia does not bring any matter-of-fact solution to the situation in the Balkans, Czechoslovak Foreign Minister Jiri Dienstbier said today.

He told CSTK it is not only a legal problem but also the problem of succession. It is now most important that Bosnia-Hercegovina become a civic state, Dienstbier said and warned against the republic's division between Serbian-Montenegrin Yugoslavia and Croatia.

Dienstbier emphasised Czechoslovakia's effort for a comprehensive solution to the Yugoslav crisis, without isolating individual problems.

Czechoslovakia recognised the independence of Slovenia and Croatia January 16, 1992, and of Bosnia-Hercegovina April 9.

Czechoslovakia, Poland and Hungary did not attend the proclamation ceremony in Belgrade.

Parliament Urges Protection of Bosnia-Hercegovina

LD2704210292 Prague CSTK in English 2015 GMT 27 Apr 92

[Text] Prague April 27 (CSTK)—The Czechoslovak federal assembly (parliament) today called on international organisations to take steps to protect the civilian population in Bosnia-Hercegovina.

In a resolution adopted at their current 22nd session, the legislators said "eye-witnesses speak about manifestations of genocide and of forcible actions that are unacceptable for civilised Europe."

"Reports coming from the region are so alarming that they require a quick action by all responsible international organisations", the resolution says. It mentions especially the Council of Europe, the Conference on Security and Cooperation in Europe, the European Community, and the United Nations.

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The parliament approved an amendment to the law on the protection of air against pollution. The amendment precisely defines individual terms, especilly the "source of pollution," a "new source of pollution, the "existing source of pollution," and also sets admissible limits for air pollution.

Also today, the parliament passed a law on police higher learning institutions and on the establishment of a police academy.

Federal Interior Minister Jan Langos said the police higher learning institutions will provide specialised education and professional training, and will also engage in research.

The police schools will be established at both the federal and republic (Czech and Slovak) levels.

The 22nd session of the House of Nations and the House of the People will continue tomorrow. It opened April 14.

ROK Reportage on Havel's Visit to Seoul

WA2704093092

For ROK reportage on Vaclav Havel's visit to Seoul and his meetings with South Korean President No Tae-u see the Northeast Asia section of the 27 April East Asia DAILY REPORT.

German Foreign Minister Arrives for Visit

LD2804121892 Prague CSTK in English 1003 GMT 28 Apr 92

[Text] Prague April 28 (CSTK)—German Foreign Minister Hans-Dietrich Genscher arrived here today for a short working visit.

Genscher will meet with Czechoslovak Foreign Minister and Chairman of the Council of Ministers of the Conference on Security and Cooperation in Europe (CSCE) Jiri Dienstbier to discuss CSCE peace efforts in Nagorno-Karabakh and Yugoslavia.

They are also expected to discuss Czechoslovak-German relations and the ratification of the Czechoslovak-German treaty by the German Parliament, expected in mid-May.

On Monday Genscher announced he will step down as foreign minister on May 17, though he will remain a member of the German Parliament, the Bundestag.

Wage Regulations, Hungarian Treaty Approved

AU2704130392 Prague CSTK in English 2102 GMT 23 Apr 92

[Text] Prague April 23 (CSTK)—The Czechoslovak Government today approved new wage regulations for employees in state administration, federal, and other bodies.

Czechoslovak Deputy Minister of Labor and Social Affairs Vojtech Mechura said at a press conference following the government session that for the first time in over forty years workers in state-subsidized organizations would be paid on the same principles.

The government also approved for privatization all railroad repair shops, machine works and other various offices of the Czechoslovak State Railways.

At its session the government approved Czechoslovakia's joining the European Convention on Interstate Television.

It approved a contribution of 3,435,000 USD from the budget of the Czechoslovak Foreign Ministry as Czechoslovakia's contribution for 1992-93 to UNESCO.

Also approved at the government session was the text of a treaty of friendship and cooperation between Czechoslovakia and Hungary. It is not a treaty of alliance and does not contain obligations to provide armed assistance in the event of attack. The treaty, if eventually signed and ratified by both countries, is to be in force 15 years.

The government also gave the go-ahead for negotiations for a guaranteed loan of 246 million USD from the World Bank designated for modernization of Czech power plants. A project to modernize a number of plants is to be completed by the end of 1997.

Czech Government Favors Naming StB Agents

AU2404123292 Prague CSTK in English 1931 GMT 22 Apr 92

[Excerpt] Prague April 22 (CSTK)— The Czech Government today decided to ask the Czech National Council (parliament) to initiate the publishing of names of former secret state police (StB) agents and its senior officials, Czech Deputy Premier Jan Strasky announced at a press conference.

He said the government has been led to this decision by its concern over the list of 262 Czech journalists, who were named as StB agents.

Czech Premier Petr Pithart received a list of 262 members of the Czech Journalists' Syndicate, found to have been StB agents, from the Federal Security and Information Service (FIS) on April 17.

Czechoslovak Deputy Premier Pavel Rychetsky today told CSTK it would be absurd if governments used obtained information for blackmailing the media.

Asked about his stand on the list of 262 members of the Czech Journalists' Syndicate, found to have been former secret police (StB) agents, Rychetsky said freedom of information is one of the principles of a law-observing state. It is very difficult to adopt laws which would regulate activities or the staff of the media that are not owned by the state, Rychetsky added. [passage omitted]

[Bratislava NARODNA OBRODA in Slovak on 23 April on page 1 carries a 300-word B. Janik report on the Czech Government session and its request concerning the publication of the list of StB agents. The report includes the following observation: "It is paradoxical that, as recently as Tuesday, 21 April, Prime Minister Pithart—who was in Paris yesterday—claimed that he would not let the list of 262 journalists out of his hands and that he would not make a single copy of it. According to his words, at its meeting yesterday the Czech Government only was to make a decision on whether ministers would glance over the list in the prime minister's office, supposedly to know to whom they are giving information. But yesterday, in the prime minister's absence, the government decided that it would ask for across-the-board publication of StB agents' names."]

120 Slovak Journalists Listed as StB Agents

AU2704125892 Prague CSTK in English 1909 GMT 23 Apr 92

[Text] Bratislava April 23 (CSTK)—About 120 members of the Slovak Journalists' Syndicate were found as having been agents of the former StB secret police, Christian Democratic Movement (KDH) Press Spokesman Rudolf Prochazka told journalists today.

He said Slovak Premier Jan Carnogursky received the list of agents yesterday, and will report on it at a Slovak Government session which starts next week.

Czech Premier Petr Pithart received a list of 262 members of the Czech Journalists' Syndicate, found to have been StB members, from the Federal Security and Information Service (FIS) on April 17.

GNP Declines 3.3 Percent in 1st Quarter 1992

AU2704125292 Prague CSTK in English 2205 GMT 23 Apr 92

[Text] Prague April 23 (CSTK)—The Czechoslovak economy was characterized by a slight decline of the gross national product (GNP), a slight increase of consumer prices, a halt in unemployment growth and a favorable development of the payments balance in the first quarter of this year.

An analysis of the State Bank of Czechoslovakia (SBCS), presented to CSTK today, said the GNP decreased by 3.3 percent this year as compared with the last quarter of

1991, consumer prices increased on average by one percent last January, 0.5 percent in February, and 0.4 percent in March. The unemployment rate declined by 0.2 percent in the Czech Republic in February. [Prague LIDOVE NOVINY in Czech on 24 April on page 16 carries a 250-word CSTK report on the SBCS "analysis," which includes the following additional passage: "Because exports exceeded imports, the current account of the balance of payments shows a surplus of at least 150 million korunas, according to preliminary data. The balance of the capital account is also in the black. The SBCS's foreign exchange reserves grew by 358 million korunas in the first three months of 1992 and the governments' total indebtedness declined by 15 billion korunas, owing to the surplus of the aggregate state budgets and of local budgets."]

Finance Minister Signs for $200 Million in Loans

LD2804093992 Budapest Kossuth Radio Network in Hungarian 0500 GMT 28 Apr 92

[Interview with Hungarian Finance Minister Mihaly Kupa in Washington by correspondent Gyorgy Bolgar in the studio—portions enclosed within quotation marks recorded]

[Text] [Announcer] Finance Minister Mihaly Kupa and Peter Akos Bod, president of the National Bank of Hungary, are having discussions in Washington. Our correspondent Gyorgy Bolgar telephoned the minister:

[Bolgar] "Russia and the other former Soviet states have been admitted to the IMF and the World Bank, which means billions of dollars for them, and not only a few of them either. But, according to the Hungarian finance minister, the West, while at the moment doing everything possible to rescue the Russians, is still not doing everything they can.

[Kupa] "No, they are not doing everything they can, because I have the impression that they do not know or do not declare the magnitude of the tasks they face in the case of the former Soviet Union. But what can be done today, they are doing."

[Bolgar] Mihaly Kupa, who is taking part in the meeting of the IMF and the World Bank in Washington, believes there are two partners needed for rescuing the former Soviet Union.

[Kupa] "There are two questions here, one is that they are providing a large amount of money, which considering the extent of the tasks is perhaps not adequate, but it is enough if the Russian Government carries out the reforms necessary for the effective utilization of this money. So here there is a game with two sides playing, and both players must be very good."

[Bolgar] According to the finance minister, who yesterday signed a $200 million loan agreement with the World Bank for assisting privatization in Hungary, Central and Eastern Europe are not forgotten. Even so, Russia is in the center of attention at present.

[Kupa] Concerning Hungary and Central Europe, I have to admit that today I was full of pride, because Czechoslovakia and Hungary were in general pointed out especially as demonstrating the road to successful transformation. The fact that it was possible to sign $200 million of loans proved what international financial institutions have stressed in the past and will continue to stress in the future: assistance to the CIS, the new republics, cannot overshadow the countries of Central Europe, like Hungary for example."

Jeszenszky Views Regional Cooperation

AU2404185792 Budapest UJ MAGYARORSZAG in Hungarian 18 Apr 92 p 4

[Interview with Foreign Affairs Minister Geza Jeszenszky by Andras Erdelyi; place and date not given: "Instead of Expecting Miracles of Empire...."]

[Text] [Erdelyi] In the past decades, imperial thinking has not given much of a chance for the kind of cooperation based on natural economic, geographic, historic, ethnic, and cultural qualities that is starting to intertwine our region now. We can remember that when the western counties of Hungary linked to the Alps-Adria Cooperation in the mid-1980's, we were not showered with praise by our former political "allies" who placed traditional bloc discipline above everything. The traces of this attitude can still be perceived, although in a different form, because certain people appear to have some kind of messianic view of America, forgetting about the possibilities and necessities given in our immediate area. To what extent does this attitude hinder the establishment of the otherwise promising regional cooperation?

[Jeszenszky] Undoubtedly, there is a kind of expectation of a miracle, some kind of need to belong to an empire, that comes from the misconception that a more real messiah will come in place of the eastern messianism. From the outset, the Hungarian Government has emphasized that we mainly have to rely on ourselves, because a whole world order collapsed at the time of the change of our system; therefore, we cannot expect the kind of preferential help that, for example, Austria was given at the time it became neutral. What we can expect and, of course, also demand, is that the West provide us with markets when our economy, legal system, and internal affairs become consolidated. In the former communist bloc, a snobbish illusion exists over America, because everyone is trying to get to America now and expects the solution of all problems from there. The paradox is that all this is happening precisely at the time when the United States—unfortunately—is showing certain signs of turning inward. However, even if America's—considering its history—lively interest in Europe is maintained, which would be very desirable, we will still have to recognize that it would be a great mistake to ignore the economic, trade, and other possibilities of our immediate area.

[Erdelyi] Especially because the peoples and the states of this region have naturally used these possibilities in the past centuries. Now, approaching the end of this century, is it possible to build on these traditions that also express spiritual and mental togetherness?

[Jeszenszky] It is not only possible, it is also a must! If we look at the history of centuries, we must see that Europe was always helped to succeed when the various territorial units, regions and, naturally, the continents took up intensive relations with each other. Isolation and economic self-sufficiency have always led to disaster. In Central Europe from 1868 until World War I, there was

a very fast development that, in addition to the relative stability, came from the operation of a common market based on customs union. The peace treaties after World War I broke up Central Europe geographically and economically, in spite of the fact that the peace-makers always stressed economic unity. Instead, in possession of their new sovereignty, the new states competed in raising the customs barrier as high as possible. In the broken-up region, parts of countries became isolated, roads connecting important regions became dead-ends, and flourishing market centers like Nagyvarad [Oradea], Kassa [Kosice], or Pozsony [Bratislava] lost their natural hinterland.... The current new regional contacts including the Central European Initiative give the great promise that the economic relations considered natural for centuries can be restored—similar relations to the ones established in Western Europe after World War II, with well-known results.

[Erdelyi] Some worries also exist about the new regional initiatives. Some opinions have been published, according to which the regional cooperation may be an alternative to Hungary's EC-membership or to its links with Germany....

[Jeszenszky] There is a relatively simple answer to these worries. Countries like Austria or Italy are also members of the Central European Cooperation, and I do not think that anyone would consider Italy as wishing to give up its EC membership for cooperation with a less developed region. The same applies to Austria standing on the verge of full EC membership. I do not see any obstacles for either the Visegrad Three countries or the Central European Cooperation countries to form separate groups organized on the example of the Benelux states, for example, while being members of the EC.

[Erdelyi] We must also speak about a less theoretical approach that appears to discover certain military policy elements in the new cooperation.

[Jeszenszky] Unfortunately, there are two countries in our region that try to make people believe—and not completely without success—that this regional system of relations including Hungary means some kind of threat. In spite of the insults and grievances, the Hungarian Government has consistently expressed on numerous occasions—often facing almost hopeless opposition—that it is ready to bury the past. But these gestures have not been appreciated. I am convinced that the people responsible for the aforementioned campaigns are also aware of how unfounded are the fears they express. It is enough to think about Hungary's military potential or to consider what the West expects from us; however, if all this is not enough to dispel the doubts, then our partners in the Slav community, Poland and the CSFR, should be the guarantee that our cooperation is not directed against Serbia or Romania. It is interesting that our new neighbor in the East does not have these worries. Ukraine is not afraid of the regional groups, in fact, it is trying to approach us; which we, of course, very much welcome. We will also make efforts to help it soon become an organic part of our emerging community.

Spokesman on Need for UN To Intervene in Bosnia

LD2504152892 Budapest Kossuth Radio Network in Hungarian 1630 GMT 24 Apr 92

[Interview with Hungarian Foreign Ministry spokesman Janos Herman by unidentified correspondent on 24 April, place not given—recorded]

[Excerpts] A few days ago Andre Erdos, our UN ambassador, said that the Security Council must take resolute steps in the Bosnian affair because if it fails to do so, Eastern Europe could go up in flames. Meanwhile, the EEC member states hold the view that sanctions against Serbia would not be effective. I think that there is a difference between the Hungarian and the EC stance. How can this difference be interpreted? I asked Janos Herman, spokesman for the Ministry of Foreign Affairs.

[Herman] It is possible to make a distinction between the two, naturally, but I do not see a contradiction between the two stances in view of the fact that we all agree on the role of the United Nations. Many of us in Europe support the UN taking an increased, growing role in Europe in the solution of the southern Slav crisis.

[Correspondent] So how should we interpret what Andre Erdos had said—that the Security Council should take resolute steps. Earlier there had been thoughts that this conflict could be solved only through arms; if I remember correctly this was said by the special envoy of the UN secretary general, adding at the same time that no one would volunteer for armed intervention.

[Herman] This is the case, but we must not forget that the UN peacekeeping force [vederoe] is already present on the territory of the former Yugoslavia. We consider it very important that this peacekeeping force should be fully deployed as soon as possible. [passage omitted] We also consider important that this peacekeeping force should be present everywhere where there is tension. [passage omitted]

[Correspondent] Let me return once again to a statement made early this month by Ambassador Andre Erdos. A passage featured in his speech was to the effect that if the Security Council fails to take resolute steps, Eastern Europe may become inflamed.

[Herman] We are talking about the danger of this—danger that we must preempt.

[Correspondent] Are you thinking of the danger of nationalism?

[Herman] Presumably that too. [passage omitted] It is also obvious that it is impossible to solve the conflicts within individual countries without international help, international cooperation. The potential threat is that if these conflicts become prolonged then they may spread to areas where there is currently calm. [passage omitted]

[Correspondent] So, are you referring to those countries where nationalism is strengthening?

[Herman] Naturally, there, first of all. As events illustrate the points of crisis, the tensions have developed first of all in those countries where several larger groups of nations or nationalities live together.

NATO Delegation, Ministers Hold Talks

LD2704172892 Budapest MTI in English 1317 GMT 27 Apr 92

[Text] Budapest, April 27 (MTI)—Talks were began in Budapest today by a delegation from NATO's political committee, a consultative body assisting the work of the North Atlantic Council, NATO's summit organ. The delegation, headed by Acting President John Kriendler, is meeting an invitation from the Hungarian government.

Hungarian diplomatic circles assess the visit as a major step in building relations between Budapest and Brussels. The delegation of NATO's political committee were given far-reaching information on Hungary's security policy, political and economic endeavours and the Hungarian view of the situation in the region.

The guests met Geza Jeszenszky, minister of foreign affairs, Ivan Baba, deputy secretary of state at the Ministry of Foreign Affairs, Endre Juhssz, deputy secretary of state at the Ministry of International Economic Affairs, and Jeno Laszlo, secretary of state at the office for military industry.

The Monday talks covered Hungary's goals for Western integration, her security policy concepts, presently under preparation, and her relationship with the Common Market. The regional problems discussed included the judgement of the Southern Slav crisis and the "Visegrad Trio" co-operation scheme.

According to diplomatic sources, the delegation from NATO's political committee responded favourably to the possibility of wide-ranging consultations, and the indications are that NATO circles have a need for this, in order to obtain first-hand information on the East-Central European situation.

Bulgarian Defense Official Arrives for Visit

LD2404103592 Budapest MTI in English 0659 GMT 23 Apr 92

[Text] Budapest, April 23 (MTI)—Bulgarian Defence Ministry State Secretary Valentin Aleksandrov [name as received] arrived here for an official visit late Wednesday night.

Aleksandrov had been invited by his Hungarian counterpart Erno Raffay.

Meets With Defense Minister

AU2404200692 Sofia BTA in English 1820 GMT 24 Apr 92

[Text] Budapest, April 24 (BTA)—A Bulgarian military delegation, led by Mr. Valentin Aleksandrov, state secretary at the Ministry of Defense, completed its two-day official visit to Hungary. He was received by Mr. Lajos Fur, Hungary's minister of defense, and had talks with Defense and Foreign Ministry officials, discussing the promotion of Bulgarian-Hungarian military relations and the two countries' military reforms and assessing developments and the situation in the Balkans and in the Danube Basin.

The sides are convinced that the conflict in the Balkans should be localized and not allowed to spread to other territories. The hosts showed interest in a new idea launched by Bulgaria on the establishment of a Danubian European security system in which the small states of Danubian Europe should strengthen their politico-military ties.

The sides decided to exchange experts in chemical and radiation protection and considered a long-term strategy for cooperation between the institutes and museums of war history in the two countries.

Attempts To Smuggle 'Heavy Water' Reported

LD2804050892 Belgrade TANJUG in English 0417 GMT 28 Apr 92

[Text] Warsaw, April 28 (TANJUG)—There have been tries at smuggling through Poland materials to be possibly used for nuclear weapons, Poland's state protection office made it known Monday [27 April].

Steps are being taken so as to make such attempts impossible, an office representative said Monday. He refused to say, however, whether an investigation is under way into activities done by the Polstar, a mixed Polish-Russian enterprise of the Baltic seaport of Gdynia. It offered an unlimited quantity of heavy water to a Finnish prospective buyer, the ZYCIE WARSZAWY daily wrote.

In the case involved was but a doubt about the planned-out activities of the said mixed firm, the state protection office representative explained.

[Warsaw PAP in English at 2224 GMT on 27 April notes in its press review, datelined Warsaw, 28 April: "A statement of the State Protection Office (UOP) is published in connection with reports on attempted smuggling via Poland of materials which can be used for production of nuclear weapons."]

Cooperation Agreements Signed With Byelarussia

LD2504030692 Warsaw PAP in English 2323 GMT 24 Apr 92

[Text] Warsaw, April 24—Polish-Byelarusian agreements on trans-border cooperation, mutual support of investments, the creation of a Polish-Byelarusian commercial bank and cooperation in combatting crime were signed on Friday [24 April] following talks held by Byelarusian Prime Minister Vyacheslav Kebich in Warsaw.

Commenting on the results of talks Polish Prime Minister Jan Olszewski said that "the foundations of relations between our countries created today can serve as a model for shaping mutual relations among other countries in our region." Olszewski met twice with Kebich for face-to-face talks. In his opinion the three months that had elapsed since his first working meeting with Kebich in Byelarus prove that it was "possible to settle the principles of cooperation swiftly and effectively."

Kebich termed the agreements as "historical" and stressed that they were signed by representatives of "two equal states." He added that during his talks in Warsaw "also further prospects for Polish-Byelarusian relations have been mapped out, which we shall discuss and develop."

Polish Minister of Internal Affairs Antoni Macierewicz opined that the cooperation in fighting crime "would be helpful in combatting what is known as a Russian mafia." The signing of the agreement was necessary in view of crime rate which assumed an international character and is connected with changes taking place east of Poland, Macierewicz added.

During their meeting today President Walesa and Prime Minister Kebich declared they were "fully aware that while striving for full opening between Poland and Byelarus one should seek new solutions and remain open to new, surprising proposals," president's spokesman Andrzej Drzycimski said. The two statesmen were unanimous that their countries should rely on each other. "If we help each other than the West will help us," they stated according to Drzycimski. The spokesman said that the Polish-Byelarusian treaty initialled last Thursday [23 April] would be signed "shortly." He did not rule out that this would take place during the visit of president of the Byelarusian supreme council Vladislav Shushkevich to Poland. The president extended official invitation to Shushkevich to pay the visit during his meeting with Kebich. No date of the visit has been fixed yet.

Walesa, Olszewski View Political System Issues

LD2704203392 Warsaw Radio Warszawa Network in Polish 1700 GMT 27 Apr 92

[Conversation between President Lech Walesa and Prime Minister Jan Olszewski in Belvedere Palace on Olszweski's arrival for a meeting on 27 April—recorded]

[Text] [Announcer] Jan Olszewski arrived at the Belvedere Palace half an hour ago.

[Walesa] You are experienced, I am experienced. I have come to the conclusion that we have to wield authority, that a presidential type of government of the French type is the only solution here. In any other case there will always be a conflict. We want to build a strong Poland but it must be efficient. That is it.

[Olszewski] I totally agree with you. It is necessary to build a system which will be fully efficient. There is no difference of opinion on that.

[Walesa] But, do you like the French system?

[Olszewski] To tell you the truth, Mr. President, I am not a constitutionalist and generally speaking, I think that, politically, a system should always be adapted to the peculiarities of the given state. I think that Poland has its certain peculiarities....

[Walesa, interrupting] Yes, but we would not build America.

[Olszewski] ...that have to be taken into account.

[Walesa] Yes, but we would not rediscover America. We have to work quickly, but we have less and less time.

[Olszewski] Mr. President, we would build neither America nor any other country, but (?something can be built).

[Walesa] Yes, but (?social pressure is already very strong) and our prestige and work, yes.

Walesa Stresses Need for 'Full Powers'

LD2704211592 Warsaw Third Program Radio Network in Polish 2000 GMT 27 Apr 92

[Text] The meeting of President Lech Walesa with Prime Minister Jan Olszewski in the Belvedere Palace lasted over an hour.

The prime minister said after the meeting: We talked about the basic problems of the state. Our conversation covered a broad area. Some things were explained, while others would require further discussion.

Asked by journalists if the possibility of the resignation of Jan Olszewski's government was considered during the talks, presidential spokesman Andrzej Drzycimski replied that during this kind of conversation various problems are discussed. The prime minister said very clearly that he would like the present government to have the president's support because he cannot imagine working without it, the spokesman said. He added that although he did not participate in the private conversation between the prime minister and the president, he thinks that this concept has been accepted by the president.

The president thinks that this government needs a plan for action, but he pointed out very firmly that if there is no possibility of the kind of work he was talking about at public meetings, he cannot see the possibility of cooperation with either this or any other government. It must be decided if there is to be an active president in Poland or not. If so, conclusions must be drawn from that. The president and his powers cannot be suspended. He must have full powers which would allow him to be closer to the present politics in the country; this is important for the whole of society, the spokesman said.

Walesa Assesses Current Political Issues

LD2604190892 Warsaw Radio Warszawa Network in Polish 1700 GMT 26 Apr 92

[Interview with President Lech Walesa by unidentified Gdansk correspondents at Gdansk airport on his departure for Warsaw on 26 April—recorded]

[Text] [Correspondent] Mr. President, lately GAZETA WYBORCZA and NOWY SWIAT have been sharply critical of your office. Politically, these papers are very far apart and it would be difficult to believe that they are in collusion.

[Walesa] The worrying thing is that the arguments used are making fools out of the people. There is talk in one of the newspapers, in various pronouncements, that the important thing is decommunization. Yet I have worked with these gentlemen and no decommunization has been carried out. Now, as far as the Army is concerned, I must remind you once again: We have not one general who was not a communist because there was no possibility of any of them being noncommunists. So it is making fools of the nation to say that they are carrying out a decommunization.

I am all for decommunization, but one which would be carried out wisely and carried out in such a way that it would truly benefit society; what is happening is, I repeat, making fools of the nation.

[Correspondent] Mr. President, you have declared that you would participate in the work concerning the creation of the grand coalition should this work become protracted. It is difficult to speak of a protraction of this work; quite simply, the grand coalition has fallen apart, it does not exist.

[Walesa] That is right, and that is why I can no longer let this go on and that is why I will speed things up because we can no longer afford, the nation can no longer afford to wait any more. After our experiences, surely everybody is coming to the conclusion that the only solution for Poland is a supra-party government, a government which we will set up, composed of experts who have already been tried out in the last three governments—that is the only solution. At the same time there should be greater powers for the president, that is, on the French model, because there is a duopoly of power, because there is a dispute within the power structure, and this is destabilizing. We are meeting on compromise issues and this cannot go on: We must be effective, we must be serious; that is why I will approach the Sejm regarding the possibility of some decisive action. This does not clash with democracy, in any way.

[Correspondent] Mr. President, you have emphasized several times that you do not see any possibility of working with Minister Parys. Yet last Friday [24 April] Prime Minister Olszewski stated that, in principle, Minister Parys can work with the Council of Ministers.

[Walesa] A parliamentary commission has been set up and it will define Parys's usefulness; his usefulness and, at the same time, the pursuance of a policy which destabilizes, which introduces anarchy, which takes away our country's dignity. I will try to prove all these things and I am sure that, as president, I can no longer allow such things.

[Correspondent] The latest Solidarity march in Warsaw has been called a last chance demonstration. Do you see this demonstration of the Solidarity world in the same way?

[Walesa] I think that society must constantly monitor the reforms and constantly remind all the people who hold posts that they must always be aware of society and solve its problems. That is why such monitoring, although perhaps cheaper, is essential. I believe that this social disquiet must take place but it must not destabilize and must not bring about losses. I will even strive for such a creative disquiet.

Walesa Says Media To Blame for Misinformation

LD2404213192 Warsaw PAP in English 1710 GMT 24 Apr 92

[Text] Warsaw, April 24—Addressing a delegation of Solidarity marchers in front of the Belvedere Palace on Friday [24 April], President Lech Walesa blamed mass media for misinformation.

He described the media as being "controlled by groups that seized power with your backing" and said:

"You have heard about great decommunization (allegedly) going on in the Army. In fact, this decommunization consists in replacing communist generals trained (to perform their jobs) with untrained ones," Walesa charged.

The president added that he expected support in "organizing and cleaning up the Polish scene" which is "not easy because untrained people are basing on trained ones with a communist background, in order to hide their incompetence."

Olszewski Interviewed on Media Independence

AU2704065192 Warsaw ZYCIE WARSZAWY in Polish 15 Apr 92 p 3

[Interview with Prime Minister Jan Olszewski by Kazimierz Wojcicki and Igor Janke; place and date not given: "The Limits of Press Independence"]

[Text] [ZYCIE WARSZAWY] The great amount of criticism of the press expressed not just by members of the government, but also by you, Mr. Prime Minister, has caused a certain level of tension between the government and the press. Does this criticism mean the government has started a struggle to control the media?

[Olszewski] The government has no intention of waging a struggle like that. One gets that impression because with all the present criticism of the government by the press, the government does not really have any resources to enable it to present its point of view and defend its interests, apart from the Press Act. I think the Press Act is totally unfit for implementation. It is a typical legal relic of the previous system.

[ZYCIE WARSZAWY] Do you think the government should have guaranteed possibilities of presenting information on its work? If so, how?

[Olszewski] The normal provisions of press legislation, I am referring to our prewar legislation, do provide certain possibilities like that. In theory, we do have a state television and radio network, but this is an enormous entity left over from the previous system, and no one has any control over it. This giant has been undergoing constant reorganization over the past two and a half years, but there is not much to show for it. And still there is no sign of a new model for the public media.

[ZYCIE WARSZAWY] We would like to ask about certain decisions that have given rise to rumors about a battle for the media. The first matter is RZECZPOSPOLITA. Some people suspect the government wants to replace that paper's editor in chief. The next matter is the composition of the Workers Publishing Cooperative Liquidation Commission and of the leaderships of the Polish Information Agency and PAP. Could you explain these matters?

[Olszewski] Each of these matters is a separate problem. The purpose of the changes in the Polish Information Agency and PAP is to adapt them to the new conditions, especially the new economic circumstances. They were both heading straight toward bankruptcy. They were financed out of the budget, which we were no loner able to afford. Therefore, it became necessary to make some organizational changes, and consequently personnel changes as well.

The Liquidation Commission is a slightly different matter. Its activity has been strongly criticized by all quarters. Press titles were sold off on the basis of political convictions, which caused a great deal of controversy. Because the commission was unable to complete the liquidation of the Workers' Publishing Cooperative and it became necessary to complete it as quickly as possible, we decided to alter the commission's composition, also for financial reasons. We discussed these changes with all the major political parties.

[ZYCIE WARSZAWY] Do you yourself think the commission was biased?

[Olszewski] If we are dealing with political convictions, the prime accusation is a lack of objectivity.

[ZYCIE WARSZAWY] But press titles were sold off at auction. One of the commission's functions was to act as an auctioneer.

[Olszewski] If we talk about auctioning, we have in mind the offer of ever-increasing sums of money. The highest bidder wins. The sale of press titles was an auction only in name. In fact, it was conducted according to slightly different rules. Money was not the only criterion in deciding who should acquire a newspaper.

[ZYCIE WARSZAWY] Does that mean the commission will try to alter the results of the sales and nullify the sales agreements that have already been signed?

[Olszewski] Not if the sales took place in accordance with the law. But if some sale did not take place in accordance with the law, the sales agreement might have to be nullified.

[ZYCIE WARSZAWY] What about RZECZPOSPOLITA? Will the government try to replace its editor in chief?

[Olszewski] What the government will do is try to exert genuine influence on this paper. This influence is absent

right now. This is the only paper published by a publishing house in which the government has most of the shares.

This daily has always provided information for the state apparatus. It has carried government material which the government very much wanted to have published. The paper's profile has been established by its readership, and one cannot ignore that fact.

The fact that some articles in RZECZPOSPOLITA diverged widely from the opinions of the government has caused some misunderstanding. There have been many queries from local government officials, who still view RZECZPOSPOLITA as a government organ.

[ZYCIE WARSZAWY] In other words, RZECZPOSPOLITA is still meant to be a government daily?

[Olszewski] It is published by the government, and should provide it with certain information.

[ZYCIE WARSZAWY] That is certainly a change of policy compared to the previous government. Prime Minister Bielecki said he did not consider RZECZPOSPOLITA to be a government daily.

[Olszewski] If one owns something, one either gives up this ownership or one takes advantage of it. I do not quite understand what Bielecki meant. If a government gives an editor in chief a certain measure of independence in putting together a newspaper, that makes sense. But if it hands the paper over to someone else, then something should be done about the paper's assets.

[ZYCIE WARSZAWY] Have you spoken to editor in chief Dariusz Fikus?

[Olszewski] No. That might have been viewed as an attempt to pressure him.

[ZYCIE WARSZAWY] But if RZECZPOSPOLITA is supposed to be a government paper, surely one should put pressure on its editor in chief and control the paper?

[Olszewski] Following the appearance of certain articles that we considered misleading and that departed from the government line, I communicated my opinions to the editor in chief via my personal advisers.

[ZYCIE WARSZAWY] Would you say that either Fikus obeys certain rules, or he must go?

[Olszewski] The government has never disciplined and never does discipline anyone for criticism or for taking advantage of the right of freedom of speech.

[ZYCIE WARSZAWY] Would you agree that one can exert influence on the media either by supplying them with information or by applying administrative pressure?

[Olszewski] Of course. These are two separate methods. The problem is that the government is finding it difficult to provide information about its program and activities. The provisions of the 1992 socioeconomic policy were not properly covered in the press. There was not much information about them; instead there was a lot of criticism.

[ZYCIE WARSZAWY] Would you like television to be independent, a public institution over which the government has no influence?

[Olszewski] We are aiming to create a public media system. I would also like to see private stations one day.

[ZYCIE WARSZAWY] But would you like television, which today belongs to the state, to be completely independent and autonomous?

[Olszewski] Actually, it is independent and autonomous, apart from a little social influence that cannot entirely be eliminated.

[ZYCIE WARSZAWY] But shouldn't this independence be institutionally guaranteed? Shouldn't Polish television have the same status as, for example, the BBC? Perhaps the government should maintain some kind of influence after all?

[Olszewski] The plans for public media include government-owned ones. Of course, the government should not have direct control over them. They should be guaranteed a certain level of autonomy.

Under stable democratic conditions, the BBC model is certainly suitable, but I cannot say whether it would suit Poland right now. I do not know the exact principles governing the BBC.

[ZYCIE WARSZAWY] Do you favor the kind of political system in which the media are a fourth tier of authority?

[Olszewski] No, the media cannot be that, because they are not a constitutional authority. Of course, one can use the term as a metaphor. The media perform a major role, and in that sense they are an authority. But in a literal sense, they are not. They must be kept under control by means of clear rules.

[ZYCIE WARSZAWY] But this fourth tier of authority is enshrined in Western constitutions and in the guarantees of freedom of speech and press independence. The fourth tier of authority derives from the fact that the media may freely pass judgment on the work of the other authorities. In this way they contribute to the never-ending debate that is called democracy. Are you in favor of that kind of authority for the press, or do you think such authority should be restricted?

[Olszewski] Of course I am in favor of the press fulfilling the kind of role it is obliged to fulfill in a democracy. It does not matter what metaphor we use. However, there are two conditions that must be met. First, the degree of responsibility of the press must be defined by law, and second, the law must guarantee a high level of professionalism and adherence to ethical standards.

These are the two factors that determine whether or not the press discharges its duties in a democratic system. Unfortunately, neither of them have yet taken shape in Poland.

Kaczynski Comments on Parys Controversy

AU2704062492 Warsaw NOWY SWIAT in Polish 16 Apr 92 pp 1, 2

[Interview with Lech Kaczynski, chairman of the Supreme Chamber of Control and former minister of state for national security, by Anita Gargas and Piotr Gerczuk; place and date not given: "Wachowski and Others"]

[Text] [NOWY SWIAT] What do you think of Mieczyslaw Wachowski's powers as director of the Presidential Chancellery?

[Kaczynski] I have always had a negative opinion of them. It is obvious that in practice, Wachowski's powers were far more extensive than the powers normally applicable to his position.

[NOWY SWIAT] Did anyone complain?

[Kaczynski] It has been the subject of a dispute in the Presidential Chancellery at least since February 1991.

[NOWY SWIAT] In what way was the Office of National Security [BBN] set up?

[Kaczynski] The former secretariat of the National Defense Committee [KOK] was converted into the BBN when Lech Walesa became president. The man entrusted with the task of organizing the bureau was Jacek Merkel, minister of state for national security and chairman of the National Defense Committee. In early 1991, Jerzy Milewski became the chief of the bureau; in other words; Merkel's deputy.

[NOWY SWIAT] What were the powers of the BBN supposed to be?

[Kaczynski] The BBN took over the powers of the KOK secretariat and of the National Security Council; in other words, the executive body of the minister of state for national security. Unlike KOK, which consisted solely of career officers, the BBN was supposed to be a civilian-military body. Following Jacek Merkel's resignation, Maciej Zalewski became secretary of KOK on 11 March 1991, and I became minister of state for national security. Therefore, the two positions Merkel had held were now divided among two people, Zalewski and me. On 1 November last year, Milewski replaced Zalewski as secretary of KOK, but remained chief of the BBN.

The secretary of KOK has certain powers deriving from the law on the general duty to defend the country, particularly the coordination of defense efforts. Apart from being a part of KOK, the BBN is an executive body of the president. The office of minister of state for national security is not actually contained in the legislation.

[NOWY SWIAT] Could the BBN have occupied itself with collecting information about politicians?

[Kaczynski] No. All operations concerning political matters and certain criminal ones are the sole prerogative of the Office for the Protection of the State. The remainder of criminal matters are the responsibility of the police.

While I was chief of the BBN, the Department of Dangers was created. This was linked to the powers of the president in matters of state security, with the exception of the army. The only task of this department, a task whose implementation, by the way, was made impossible, was to reconnoiter the situation and inform the president. In fact, the Interior Ministry objected to the department and thus rendered it powerless.

[NOWY SWIAT] Jerzy Milewski was already in the BBN when you joined it. What did you think of his work?

[Kaczynski] Initially, as his deputy, I considered his work good, but when he realized that changes would be made to the Presidential Chancellery, he concluded that there was another, more important chief of national security, and he established contacts with him. I mean, of course, Mieczyslaw Wachowski.

[NOWY SWIAT] Who set up the Belvedere group? Did Kolodziejczyk and Wawrzyniak belong to it?

[Kaczynski] These two were linked to Wachowski, and through him they kept in touch with the president, but they were not the only group inside the Belvedere. This group consisted mainly of Wachowski and Drzycimski. The Reverend Cybula joined it later, unfortunately. It is worth remembering that until at least 1991, the president's decisions were not entirely his own; after all, he had agreed to the creation of a civilian defense minister's post, at the same time as which Vice Admiral Piotr Kolodziejczyk was to become chief of the General Staff. Later these matters were watered down. There were arguments about whether a civilian defense minister was supposed to "command" or just "supervise" the armed forces. I think a written provision about supervising the armed forces would have been acceptable. According to this scenario, the chief of the General Staff was to be answerable to the civilian defense minister.

[NOWY SWIAT] What is your opinion of Wachowski's contacts with the BBN?

[Kaczynski] He maintained these contacts when I became minister of state for national security, but they ceased soon afterward. At first he respected the division of responsibilities within the Presidential Chancellery, but not for long.

[NOWY SWIAT] How was this manifested?

[Kaczynski] For example, by his numerous contacts with the Army.

[NOWY SWIAT] Since when?

[Kaczynski] Since the spring of 1991, at the very earliest.

[NOWY SWIAT] Is that when he established closer contacts with Kolodziejczyk and made Czeslaw Wawrzyniak chief of the Military Information Service?

[Kaczynski] Yes. These contacts were quite frequent at that time. There is no doubt that the changes to the special services had to occur. However, I knew that the only possible change to the post of chief of the Military Information Service was Wawrzyniak's appointment to it. What I disapproved of was Wawrzyniak's excessive contacts with Wachowski. Apart from that, Admiral Kolodziejczyk seemed a competent and intelligent man to me.

[NOWY SWIAT] What is it these people wanted? Why did President Walesa want to create a power group based on communist forces in the army?

[Kaczynski] Vice Admiral Kolodziejczyk was certainly able to win President Walesa to his side, via Wachowski. Kolodziejczyk was also able to present himself and his colleagues as guarantors of calm and order inside the army. The rest is just speculation. It seems as if Walesa was convinced Kolodziejczyk could also guarantee calm and order if international tension arose in the East.

[NOWY SWIAT] What do you think of his "guarantees"?

[Kaczynski] If I had thought these guarantees were essential from the point of view of the state's interests, I would have been in favor of them.

[NOWY SWIAT] As BBN chief, what are your relations with the Foreign Ministry like?

[Kaczynski] Foreign Ministry representatives were not very keen to participate in the work of the BBN-appointed commission to work out a state defense doctrine. Ambition played a role here. It might have been different if someone from the Foreign Ministry had been made chairman of this commission instead of someone from the National Security Council. One must remember that this situation came about following the so-called Zalewski affair, which very much strained our relations with the Foreign Ministry. I was very dissatisfied with Minister Skubiszewski's replies to questions from the Sejm on this matter. I would like to make it clear that it is not true that my visit to the United States was prepared without consulting the foreign minister or his deputy. On the contrary, I discussed this visit with the foreign minister several times. I think the Foreign Ministry took advantage of it. My powers concerning foreign policy were connected solely with my post as minister of state for national security, acting on the president's authority. I had no intention of making any decisions, and possessed no ambitions. My sole purpose was to hold consultations, which lasted until 1990. The Zalewski affair was used to break all contacts with the BBN.

[NOWY SWIAT] Were there other reasons behind the conflict?

[Kaczynski] In the Presidential Chancellery we possessed a clear pro-NATO option, even at that time. The Foreign Ministry did not like that. We were treated like people devoid of realistic thinking. Of course, the situation is different today. But we attempted a rapprochement with NATO at that time. We wanted that to be one of the priorities of our foreign policy, but the Foreign Ministry effectively prevented us from implementing this concept.

Commission Appointed To Examine Defense Ministry

LD2704082192 Warsaw PAP in English 2124 GMT 25 Apr 92

[Text] Warsaw, April 25—The Sejm (lower house) on Saturday [25 April] appointed an 8-member commission to examine the circumstances behind the televised statements made by Defence Minister Jan Parys on April 6 and establish whether his allegations were justified.

On April 6, Minister Parys had told officers of the Polish Army General Staff that unnamed politicians were manipulating high-ranking officers in a political game designed to overthrow democracy in Poland.

In a letter addressed to the Sejm speaker last Friday [24 April] President Lech Walesa asked the chamber to set up an extraordinary commission to examine the situation in the National Defence Ministry [Mon]. Such a commission would be the only body capable to impartially assess the situation in so important a ministry as Mon, Walesa wrote.

The president's motion was passed by the vote of 191 versus 28, with 43 abstentions.

The newly set up body is chaired by Deputy Aleksander Bentkowski of the Polish Peasant Party (PSL) his deputy is Maciej Zalewski of Centre Allliance (PC) who is chairman of the Sejm Committee for National Defence. The commission will meet next Thursday [30 April] so that to present its report as soon as possible.

The commission has already asked the prime minister to let it see the full dossier concerning the Parys case collected by a similar commission set up earlier by Prime Minister Jan Olszewski. This latter commission is expected to present its report on Monday April 27, PAP learned.

Before the Sejm named the commission, Deputy Antoni Czajka of the Party X proposed to dismiss the president's motion as groundless. In his speech he went as far as to propose the vote of non- confidence for the president. Rejecting the charges, Deputy Aleksander Malachowski of Solidarity of Labour (SP) declared that Czajka was discrediting his own party.

Meanwhile, the Confederation for an Independent Poland (KPN) proposed to make Sejm Speaker Wieslaw Chrzanowski apologize to Solidarity for his having failed to go out and meet the protesting unionists in a place they wanted to last Friday. However, the chamber

decided that the speaker's conduct was correct. Referring to the Solidarity protest march held last Friday to manifest social dissatisfaction, Deputy Jan Kulas of Solidarity Caucus appealed for "accord to prevail in the democratic camp" and urged politicians to be guided by the interests of the state rather than the interests of their own parties.

Prompted by deputies, Education Minister Andrzej Stelmachowski explained to the Sejm that his ordinance to teach religion (or ethics as an alternative) at schools resulted from the provisions of the law on education system of 1991. He failed to state precise figures concerning the costs of the conducting religion classes at schools, but said they are difficult to estimate.

Deputy Malachowski called on the minister to counteract discrimination of children who do not attend religion classes.

Also on Saturday, the chamber adopted amendments to the law on operational conditions for international road transport in Poland designed as the first move to normalize the state's transport policy. The Sejm also amended the law on crediting housing projects by restoring the former, more convenient credit terms and possibility of their partial cancellation.

Stolojan Holds News Conference on Economy

AU2404155992 Bucharest ROMPRES in English 1434 GMT 24 Apr 92

[Text] Bucharest, ROMPRES, 24/4/1992—A news conference was held on 23 April at Bucharest Victory Palace. The Romanian Premier Theodor Stolojan has invited the press to get details on his Thursday, April 23 report, on enhancing the economic stability and recovery. Attending are another five ministers and the governor of the National Bank.

The premier started by speaking highly of the press, in general, then invited those present to ask questions.

Prime Minister Theodor Stolojan described as "a hope" the programme of economic recovery he had presented to the Parliament on Thursday.

Speaking at the extraordinary news conference, he showed that the government's duty was to do its best to stop the tendency of decreasing the production which had been manifest over the latest two months after the process had been stopped in the previous months.

Answering a question, Mr. Stolojan presented the stages of elaborating that programme during which he had discussed it with the leaders of the main trade union confederations "not to ask for their approval but to try to explain them" that there was no alternative. "I had the feeling they understood us," Mr. Stolojan said. "The problem is not to avoid risks but to know and approach them," he added.

The governor of the Romanian Bank said that the deblocking of the hard currency supply and the absorption of the national currency supply awaiting convertibility was a difficult process. It started yesterday, April 23, and will continue until May 4, when the new hard currency regime, announced in parliament, will be put into effect.

The supply to be converted has been enlisted, representing the equivalent of 570,000 dollars. Resources have been found to cover the sum, including due payments and foreign credits. Romania's hard currency reserve will also be affected to a certain extent, but the aim in view is not to exhaust it.

I think nobody is interested in the postponement of legislative elections, with the exception of people having personal interests in view, Premier Theodor Stolojan repeated at his Friday, April 24, news conference.

Answering a question referring to the consequences of a possible delay of the polls, he explained that could trigger the halting of contacts and negotiations, including those on foreign financing and Romania's joining EC, with all devolving influences that would cause a decline in production and in the living standard.

If this happens, the government will fulfill its duty and take measures to set the economy into motion, mentioned the premier. He added that that was exactly what the government did in the past two months, when because delays in receiving a number of loans, imports were drastically cut at the level of exports.

The Romanian premier does not consider that Romania is economically isolated now. For instance there are positive signals coming from the United States. But interests are at stake, as the world of business moves according also to such rules, and not only to declarations of intentions.

Important investors, having long-term actions in view, are here at that moment, they are making prospections, said the premier.

We are not making something we have invented, or something that has not been checked before, said Premier Theodor Stolojan to justify the government's option for high interests.

He offered as examples the results obtained by Hungary and Poland in applying that method to stop inflation.

For his part, the governor of the National Bank said the measure meant "entering normality". If we want to save this boat, explained Mugur Isarescu, we must encourage the one who accumulates. He said that "the diminution of somebody's profits to subsidize those that consume more than they produce is the most dangerous method we have inherited (from the communist regime)".

He said that, nevertheless, assistance could be granted, under conditions of transparence, to enterprises accustomed to live on credits, if they have a chance to recover under certain conditions and in a certain space of time.

From now on, exchange rates will be changed gradually, not abruptly, National Bank Governor Mugur Isarescu said. He assessed the current free market exchange rate of the dollar (350-360 lei) as overvaluing the dollar, whereas at the official rate of about 200 lei the dollar is undervalued.

On the future leu-dollar exchange rate, Mr. Isarescu would not comment.

The big unknown of the government economic recovery programme is how much the population will support it, admitted labor and social protection minister, Dan Mircea Popescu.

Speaking at the news conference at government's headquarters on Friday, he outlined the government's measures for the protection of disadvantaged social segments and Romania's specifics. He said that a pensioner-to-employee ratio of 1 to 2.2 as a result of laws enacted immediately after the revolution had led to a situation that has no match in Europe.

The prime minister also took up this idea in answer to a question: "Yes, six million employees will have to keep five million pensioners and other social security recipients, because there is no other chance. Maybe the unions

that would not end claiming as advantageous retirement conditions as possible will get the message after all," he said.

Export earnings planned at some four billion dollars this year can hardly meet the demands for imports of the power industry and of agriculture, the governor of the National Bank of Romania said.

As foreign loans in the range of 2-2.4 billion dollars are expected to be raised, a minimum reserve of 800 million dollars should build up by the end of December 1992.

The shock therapy has in view institutions and mechanisms and not the microeconomic level, economic agents, said the Romanian premier.

Romania has not had Czechoslovakia's chance to have an opportunity to explain to the population, during one year, the targets of the reform, while the economy kept going.

In Romania, as old structures have been rapidly breaking apart, the reform should have been made overnight, if possible. That is why a shock therapy has been necessary in Romania.

The head of the Romanian executive reiterated that he had no political ambitions.

Answering a question asked during his news conference of Friday he stated he would not run for any political office to observe the understanding reached with the political parties in September last year after many difficulties. "One lesson is enough in a lifetime" Theodor Stolojan said.

He explained that the present political capital he is credited with can further erode and that, anyway, that was not enough reason to assume other political responsibilities.

There is no prospect that the National Salvation Front propose him to run for the country's presidency because this party too is aware of the aforementioned understanding, the premier said.

On the other hand, he denied to have had differences with President Iliescu. "Any time things got difficult I tried to explain them to him just as to the parliament leaders" suggesting them "the solution we had in mind" Stolojan said. He explained those relationships also through the head of state's attitude vis-a-vis the long debated government programme which the president backs with the same concern.

The premier confessed he enjoyed the tacit support of the political parties. Showing that the prolongation of the present rule was not normal for the development of democracy he pleaded again in favor of undelayed elections.

The most complicated problem for the prime minister is his strong feeling that subsidies should be slashed altogether now, not cut by a quarter as is the case now, Prime Minister Stolojan said in answer to another question.

Nastase Discusses Foreign Policy Priorities

Part One

AU2804073992 Bucharest AZI in Romanian 17 Apr 92 p 3

[Interview with Foreign Minister Adrian Nastase by Corina Cretu; place and date not given: "Wolves Attack Wounded Animals"]

[Text] [Cretu] In the current international situation, what are the priorities of the Ministry of Foreign Affairs?

[Nastase] We are going through a period in which we are trying to clarify the strategy of Romania's foreign policy. We have already worked out a medium and long-term draft that was discussed the past few days within the ministry's Consultative Council in which the main political parties, university and academic institutions, as well as nongovernmental organizations, are represented. We now have to rapidly finalize priorities and our foreign policy concept by bearing in mind the current international situation and the forecasts we are making about future developments, especially in Europe. Certainly, there are tactical priorities and immediate questions that require special and urgent attention, and there are also practical actions. Such actions include—without trying to establish a hierarchy from the point of view of urgency—a most intensive participation—with numerous ideas prompted by our national interests—in the CSCE and in the experts' meeting that is being held these days to prepare the CSCE summit in July. Another important thing for us is to accelerate the process of joining the European institutions. From this point of view, the contact we established with NATO and the visit Mr. Manfred Woerner paid to Bucharest are of great importance. Within the same context, I would like to mention our relations with the West European Union [WEU]; it is significant that Romania's foreign minister was among the few guests who were asked to present a paper on the definition of security in Europe at the Berlin WEU parliamentary meeting. It is important for us to develop contacts with the WEU to eliminate the temptation to discriminate among the East European countries. We have also reached an important stage in the establishment of contacts with the European Economic Community. A few days ago, a meeting of the EEC Ministerial Council was held in Luxembourg where discussion continued on the mandate for beginning negotiations on Romania's association to the Common Market. From this point of view, I think that the year 1992 will mark the signing of this accord and thus increase our hopes for entering a process that will go on for several years and that will lead to our status of member with full rights. We are also in a stand-by position as far as the Council of Europe is concerned. We

are waiting for further contacts so that—also this year—we may become a member with full rights. Thus, chances are quite good for us to have closer relations with Western Europe through these institutionalized bodies. At the same time, we are trying to strengthen our bilateral relations with the countries that have already entered a normal framework. I would like to stress the visitors we recently had in Bucharest—as for instance the Austrian foreign minister's visit and then the visit by the foreign minister of Luxembourg; and in the last 10-day period this month, German Foreign Minister Genscher will visit our country.

Part Two

AU2804075692 Bucharest AZI in Romanian 21 Apr 92 p 3

[Interview with Foreign Minister Adrian Nastase by Corina Cretu; place and date not given: "Wolves Attack Wounded Animals"]

[Text] [Nastase] I have left the conflict in the rayons on the left bank of the Dniester River in the Republic of Moldova to the end, especially because at this point it is the region that we watch very closely and that causes us great concern. I do not want to go into the well-known details of the causes for this conflict and the instigations; however, I would like to emphasize a few positive elements, especially regarding the meeting that took place in Chisinau on 6 April and that proved Romania's interest—or rather right, I would say—to participate in the discussions on the conflict.

[Cretu] What is our role in these discussions: mediator, go between?

[Nastase] First I have to clarify one thing. At one point there were some commentaries saying that one of the ministers of foreign affairs had stated that the intervention of third states should not be tolerated. Then I would like to ask which are the first two sides. Here is one of the mistakes: We are not talking about two sides. The legal government of Moldova and the separatists in the Dniester region cannot be placed on the same level. This issue is actually a domestic problem of the Republic of Moldova. There is one condition: that it may be solved domestically. But, as can be noted, this is not possible.

[Cretu] Can Romania's involvement be interpreted as an encouragement of the separatists in their desire to become a federal state?

[Nastase] It depends on how this question is dealt with. It is normal for neighbors to be concerned and come running when a fire breaks out in one of the apartments. This does not mean interference, but a desire to help solve a crisis. Those in the Dniester region—whom I actually met—did not come in their official capacity, but as representatives of the population in that area. Both Smirnov, Maracuta, Chitac, and other representative from Dubasari, as well as parliamentarians from that area, that is a group of people came to brief the four ministers on how they saw things and to make proposals on how to solve the crisis. As a matter of fact, the cease-fire was decided on and accepted during the last meeting in Chisinau, precisely because it was essential that what we were discussing would be supported or at least tolerated by the those who were obviously able to violate the given understandings. Therefore, the status of the participants has to be defined very clearly. Our meetings were of an informative nature. The Dniester region was not identified as a separate zone with a separate population, that is Dniester people—as they are sometimes called. It is known that there are several minorities which, obviously, do not form a distinct people. We are talking about 40 percent Romanians, 29 percent Ukrainians, and 23 percent Russians, that is an amalgamate. When they think of a federation, the separatists probably have a stage-by-stage federalization in mind. After it would become a republic—based on the same criterion according to which a minority may form a republic—each minority is entitled to form a republic within this new republic. This is absurd. I believe that—to a great extent—this has to do with misunderstanding the concept and with a certain historic dimension. At one point, there was a Dniester Republic, which in the communist formula between the two wars played the role of an autonomous rayon or something like that. Aside from this, those in the Dniester region know that it is very difficult to form a state with 600,000 people especially in the given geopolitical conditions. Then the alternative to the situation in Moldova or—as they fear—of a united Romania would be an affiliation to the Ukraine, something the separatists do not desire, because they are afraid of what some view as "Ukrainian nationalism," which is much more aggressive than what exists at this point in their relations with the government in Chisinau. My impression is that things have become complicated mainly because communication with the authorities in Chisinau does not always function properly and because of the presence of the 14th Army in the area. It is therefore very important that Russia and the Republic of Moldova have established diplomatic relations. This means the recognition of Moldova—including the Dniester region as part of it— as a united state in the current constitutional formula. This has not been sufficiently emphasized by our press. Due to the fact that the 14th Army was placed under the jurisdiction of Russia, it turns into a foreign Army on the territory of another state and, as the Chisinau Joint Declaration stresses—negotiations on the status of this Army, the conditions for temporarily being stationed in Moldova, and on the dates for its withdrawal have to begin. The draft accord has already been prepared in Chisinau and negotiations proper are to begin soon. This set of problems and interests coupled with the difficult political issues and the dilemma about political orientations in Moscow create a rather tense framework. If we add a certain tension in relations between Russia and Ukraine—connected with the problem of ownership and control of the Black Sea Fleet and the Crimean issue—and the difficult economic situation in Russia, then we have a situation in which the fact that the cease-fire

accord was respected more than 24 hours represents a small ray of hope and, at the same time, a sign for us not to waste this psychological and political moment. Thus we have already dispatched our representatives to the few bodies that were set up to try to move this snowball in the right direction.

Part Three

AU2804080392 Bucharest AZI in Romanian 22 Apr 92 p 3

[Interview with Foreign Minister Adrian Nastase by Corina Cretu; place and date not given: "Wolves Attack Wounded Animals"]

[Text] [Cretu] How do you interpret the fact that the Ukrainian foreign minister felt that he should speak about Moldovan problems with the Hungarian foreign minister?

[Nastase] I do not know whether this is the way to ask this question. I know that, indeed, the Ukrainian foreign minister met with his Hungarian counterpart. This is part of the activity of a country's diplomatic chief. As a matter of fact, the Ukrainian foreign minister met with me two days later and before the discussions in Chisinau when we had a long conversation—for about one and a half hours—on bilateral relations. The fact that the two ministers also discussed the conflict in Moldova is part of the practice to discuss problems in neighboring regions.

[Cretu] Do you believe that there is a connection between the conflict in the Dniester region and the claims on Transylvania?

[Nastase] There is absolutely no connection. Maybe there are some people trying to establish such a link between them. However, in my view, there are no reasons for such a thing. However, it is true that wolves always attack wounded animals. Therefore, without referring to a precise question, I want to say that—through actions at home and abroad—we have to prevent the creation of a vulnerable situation. The smell of blood always attracts animals of prey.

[Cretu] What stage has the Romanian-Hungarian Treaty reached? I understand that there are two disputes; one about minorities and another about the clause stipulating that the two states have no territorial claims.

[Nastase] The situation is as follows: A first round of negotiations has been held, and another one is to follow in Bucharest. Certain provisions have been accepted, while others are still outstanding and will be discussed during the next round of negotiations. True, there are two outstanding things: the formulation of the clause on territorial claims and the problem of minorities and their rights. We are awaiting the arrival of the Hungarian delegation in Bucharest to continue our negotiations in the belief that they may improve our bilateral relations. If at this point relations with Hungary are not positive, this is not our fault.

[Cretu] Is Romania going to make any concessions if the Hungarian side maintains its positions on the formulation of the treaty?

[Nastase] We cannot make any concessions about this clause that stipulates the essential element that may confirm or deny—to us and the Romanian public—the orientation of the Hungarian foreign policy toward our country. In my view, this clause has to very clearly stipulate that Hungary and Romania have no territorial claims toward each other, now and in the future. Only such a clause—which would mean a legal translation of what we sometimes hear on the part of certain representatives of the Hungarian Government—would eliminate that psychological obstacle that sometimes makes us believe that there is a long-term strategy—on the part of various political forces in Hungary or on the part of the Hungarian lobby abroad—that may affect our territorial integrity or Romania's interests.

UDMR To Back Democratic Convention Candidate

AU2304212292 Bucharest ROMPRES in English 2044 GMT 23 Apr 92

[Text] Bucharest, ROMPRES, 23/4/1992—The Democratic Union of Hungarians in Romania (UDMR) upholds the opportuneness of maintaining the Democratic Convention, a deputy of that political party told a news conference held in Bucharest on April 23.

Jozsef Csapo, UDMR deputy and spokesman, said that the role and place of the UDMR in the Democratic Convention are set on the basis of the principles which "support the unity of the democratic opposition against totalitarianism, neocommunism and the maintenance of the centralized economic structures." The withdrawal of the National Liberal Party [PNL] from the convention was assessed as a "surprising step" and the attacks against the UDMR by some of the PNL leaders as "tendentious and speculative."

As for the candidate for the presidency it was stressed that the UDMR would back the single candidate fielded by the Democratic Convention.

Government Demands Withdrawal of Federal Army

AU2704215692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 27 Apr 92

[Text] At a session today, the Government of the Republic of Bosnia-Hercegovina discussed current issues concerning security and defense in the Republic. Among other things, the following was decided:

First, it is demanded that the Yugoslav People's Army [JNA] immediately stop all armed activities and direct and indirect participation in acts of aggression and terrorism against the Republic of Bosnia-Hercegovina.

Second, it is demanded that the JNA immediately stop all movements and activities in the Republic of Bosnia-Hercegovina, apart from cases where these movements and activities have been agreed upon and are carried out in agreement with the Government and Presidency of Bosnia-Hercegovina.

Third, it is demanded that the JNA immediately lift the blockade on Sarajevo Airport and all transport routes in the Republic, and allow the Ministry of Internal Affairs and all relevant ministries in the Republic of Bosnia-Hercegovina to ensure the usability and functioning of transport routes in the Republic.

Fourth, it is again stressed that any removal of military equipment from the Republic of Bosnia-Hercegovina or any of its individual regions is banned unless the government has given prior consent.

Fifth, the participation of the JNA is most resolutely condemned concerning acts of aggression and terrorism against Bosnia-Hercegovina citizens and populated places, and the encouragement of and help for acts of aggression and terrorism carried out by paramilitary formations.

Sixth, full support is given to the Ministry of Defense, the Ministry of Internal Affairs, and the Territorial Defense of the Republic in their efforts to consolidate and develop the defense of the Republic of Bosnia-Hercegovina.

Seventh, the relevant ministries are required to immediately prepare programs to provide welfare and all other protection for soldiers and other citizens and their families involved in the defense of the Republic. In this respect, particular protection should be provided for wounded soldiers and citizens and the families of the dead defenders of the Republic.

Eighth, the obligation has been undertaken to resolutely defend the dignity and property of all members of the JNA during the process in which the JNA will be transformed or withdrawn from the Republic.

Ninth, full support is given to the Presidency of the Republic to decide on the withdrawal of all JNA forces from Bosnia-Hercegovina.

Statement Detailed

AU2704213692 Sarajevo Radio Sarajevo Network in Serbo-Croatian 2000 GMT 27 April 92

[Text] Since Bosnia-Hercegovina is a sovereign and internationally recognized state, and the Federal Republic of Yugoslavia was promulgated today, the Presidency of our Republic made a decision at a session today on the withdrawal of Yugoslav People's Army [JNA] units from the Republic of Bosnia-Hercegovina. The statement says:

First, the JNA should withdraw from the Republic of Bosnia-Hercegovina.

Second, JNA members in the Republic of Bosnia-Hercegovina can join the newly-formed forces of the Territorial Defense of Bosnia-Hercegovina and they are invited to put themselves at the disposal of the legal and state agencies of authority of this Republic. The JNA members who put themselves at the disposal of the competent state agencies of Bosnia-Hercegovina are guaranteed the rank and all other rights that they have acquired.

Third, the JNA members who for any reason do not want to put themselves at the disposal of the state agencies of the Republic of Bosnia-Hercegovina are obliged to leave the Republic of Bosnia-Hercegovina in the desired direction in an organized way, accompanied by units of the Ministry of Internal Affairs of Bosnia-Hercegovina and under the supervision of EC observers. The speed and direction of the withdrawal will be determined by the relevant JNA authorities in agreement with the state agencies of the Republic of Bosnia-Hercegovina. The state agencies of Bosnia-Hercegovina will ensure the unhindered withdrawal of the JNA units. The JNA units are obliged to inform the relevant Bosnia-Hercegovina authorities in advance of their movements, (?relocation), and regrouping.

Fourth, the units which, on the basis of the agreement with UNPROFOR [UN Protection Forces] are withdrawing from the Republic of Croatia via the territory of Bosnia-Hercegovina, will be allowed to withdraw in keeping with this agreement.

Fifth, the units and institutions that have been put in charge of supervising the weapons and other equipment of the Territorial Defense of Bosnia-Hercegovina are obliged to return these weapons and equipment, that is to say, surrender them to the owners, who are the relevant authorities of the Territorial Defense of Bosnia-Hercegovina. The JNA weapons and equipment in Bosnia-Hercegovina will be decided upon in an agreement on the final division of assets and liabilities [deobni bilans].

Sixth, the Presidency of Bosnia-Hercegovina has made this decision in order to peacefully and fairly settle the question of the position of the JNA after the dissolution

of the SFRY. The Presidency adheres to its policy for the gradual and permanent demilitarization of this Republic.

Seventh, all remaining issues not covered by this decision will be decided in an agreement between the responsible authorities of the former JNA and the state agencies of the Republic of Bosnia-Hercegovina.

Eighth, this decision is effective immediately and will be published in the official gazette of the Republic of Bosnia-Hercegovina.

Izetbegovic Briefs Presidency on Army Talks

LD2704165592 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 27 Apr 92

[Report from Sarajevo by Slavko Rako]

[Excerpt] [Passage omitted] A session of the Bosnia-Hercegovina Presidency was held today during which Alija Izetbegovic informed the Presidency members about talks he held with Adzic and Kostic yesterday. As we have learned from circles close to the Presidency, Izetbegovic said at the session that the Army is not ready to give in and has no intention of withdrawing to barracks after what it experienced in Croatia, and that it cannot leave Bosnia-Hercegovina so quickly and easily.

As we have learned from the same sources, the Presidency concluded that it should assume a definite position toward the Army at a session this afternoon, and they are to choose between two options: The Army should either recognize the civilian authorities in Bosnia-Hercegovina or it should leave. Presidency members are now meeting with representatives of parliamentary parties in the Bosnia-Hercegovina Presidency from where I am reporting. They are discussing the same topic. And to conclude, Sarajevo has been quiet today.

Blockade Prevents Lisbon Delegation From Leaving

LD2704115792 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 27 Apr 92

[Report from Sarajevo by correspondent Slavko Rako]

[Text] Due to the blockade of Sarajevo Airport and roads by Army organs, which makes it impossible to leave Sarajevo or travel to another airport, the position of the Croatian Democratic Community is that it should be represented in Lisbon by those members of the Croatian delegation who are able to reach free airports and leave for Lisbon. This was said by Milenko Brkic, acting chairman of the Croatian Democratic Community of Bosnia-Hercegovina. Therefore, the delegation of the Croatian Democratic Community will be represented in Lisbon by the party's vice president, Mate Boban, and party presidium member Iko Stanic.

Milenko Brkic also stated that Mate Boban and Iko Stanic will present a stand of the Croatian Democratic Community to the chairman of the international conference on Bosnia-Hercegovina, Jose Cutileiro, [words indistinct] meeting in Lisbon be a brief one and that talks be resumed in Sarajevo.

We have also learned in the Bosnia-Hercegovina Presidency that for the same reasons neither Alija Izetbegovic, chairman of the Party of Democratic Action [SDA], nor any other member of the SDA delegation will go to Lisbon from Sarajevo. We have learned from the SDA that the party's delegation in Lisbon will comprise Haris Silajdzic, minister of foreign affairs in the Bosnia-Hercegovina Government; Irfan Ajanovic, a member of the SDA Executive Committee; and Salim Sabic, a member of the Presidency, who are at the moment outside Bosia-Hercegovina and are therefore able to get to Lisbon.

It is certain that a delegation of the Serbian Democratic Party [SDS], comprising Radovan Karadzic, Momcilo Krajisnik, and Nikola Koljevic will leave Sarajevo, probably by military plane.

'Serbian Terrorists' Said To Attack UN Convoy

AU2704194092 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 27 Apr 92

[Muhamed Muljic report]

[Text] A convoy of representatives of UNPROFOR [UN Protection Force] forces, EC observers, and the Red Cross did not manage to get through to Bosanska Krupa today to evacuate and identify the dead. As the convoy approached the town, shots were fired from infantry weapons on the right side of the Una River, which is held by Serbian Territorials. Were it not for a nearby tunnel on the line between Bosanska Krupa and Bosanski Novi where the members of the convoy could withdraw, there probably would have been casualties.

After several hours the convoy withdrew from this region and returned to Bihac without completing its mission.

Parties Agree To Reorganize Municipality

LD2804133992 Belgrade TANJUG Domestic Service in Serbo-Croatian 2352 GMT 27 Apr 92

[Text] Bihac, 27 Apr (TANJUG)—At today's meeting, at which Fikret Abdic [member of the Bosnia-Hercegovina Presidency] was also present, representatives of the Party of Democratic Action [SDA], the Serbian Democratic Party [SDS], and the Croatian Democratic Community [HDZ], all from Bihac, reached agreement on the cessation of all armed clashes and the removal of barricades in the town. Apart from the leaders of these political parties, representatives of the executive authorities of the Bihac municipality were also present at the meeting, as well as the SDS and SDA representatives from Bosanski Petrovac.

A joint statement from this session, issued at about midnight says that a working group formed on the basis

of parity will start a territorial reorganization of the Bihac municipality on Tuesday, 28 April. It was also agreed that the leaders of all three parties will keep in regular contact with Yugoslav People's Army representatives and will solve problems in cooperation with them.

It was also decided that the appropriate services of the Ministry of Internal Affairs in Bihac will conduct a resolute investigation in order to find those responsibile for burglaries of apartments, business premises, and for other criminal deeds. The Ministry of Internal Affairs will also have to inform the municipal bodies, the political parties, and the general public about their daily progress. More than 50 serious burglaries have been reported in the town. Groups of burglars have usually broken into empty apartments.

Having assessed that the situation is calming down, and recalling last night's agreement, the representatives of these parties have appealed to the inhabitants of Bihac to return to their homes. It has been estimated that about 8,000 people have recently left Bihac.

The participants in the meeting asked the leaders of the SDA, SDS, and HDZ for Bosnia-Hercegovina to speed up the process of reaching an agreement on the constitutional make-up of Bosnia- Hercegovina, the statement says.

Situation Throughout Republic Reviewed

AU2704212492 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 27 Apr 92

[Irfan Calaf report from the Ministry of Internal Affairs of Bosnia-Hercegovina]

[Text] We have just received the latest news, so we will proceed in the order that it is written here. At around 1400, volleys were heard across the entire Mostar area. This began started at Siroki Brijeg, then spread to the Ilici district, Velo Radobolje, (?Bijeli) Brijeg, and then the rest of the town. There were also shots fired from the town toward other areas, there is no information as to who was doing it. The situation has calmed in the last half hour. Shells also fell on the southern parts of town.

There have been no hostilities in other crisis areas in this region—Capljina, Siroki Brijeg, and Neum—but there have been air raid warnings. From Kladanj we have learned that the Army has entered the village of Turalici near Vlasenica. There is shooting in the village, and the villagers who did not want to surrender their weapons have been forced to leave.

The situation has calmed somewhat in Zivinice. We have been told that one captain has been killed and three people wounded. In the town of Kidani in the Kalesija Commune, troops of the Tojsici reserve militia forces stopped a convoy of 29 motor vehicles and 43 soldiers, which had not been previously announced. After a warning by security officers in the 40-41 Tuzla Army post and consultations, the convoy was escorted to the Dubrava airport by a militia patrol.

According to reports from residents, the situation in Zvornik is relatively peaceful. Sapna, Djulici, Klis, and Krizevici were shelled terribly with heavy artillery.

We have more information here. Reports from Doboj say that there is fighting around Derventa, but at the moment we have no contact with either Derventa or Bosanski Brod, but this is news from private citizens. According to unverified information from other private citizens, in the Gorazde area the villages of Paunci and Filipovici in the Foca Commune have been burned and Ustikolina and (?Rodijelj) have been attacked. Heavy artillery is being used from (?Preseka).

I said that we have nothing new from Doboj. We have nothing new from Zenica. This is more or less all. We have just received news from Foca. According to some reports, Velibor Ostojic, former information minister in the Bosnia-Hercegovina Government, is the organizer of the Foca area court-martials.

This is all from the Ministry of Internal Affairs of Bosnia-Hercegovina.

Artillery Attack Reported on Bosanski Brod

AU2804085092 Sarajevo Radio Sarajevo Network in Serbo-Croatian 0800 GMT 28 Apr 92

[Zoran Cvorak report from Bosanski Brod]

[Excerpts] The residents of Bosanski Brod lived through yet another stormy night. A strong artillery attack started last night at approximately 2000. Several hundred grenades fell on Bosanski Brod. At 2210, the oil refinery was hit again. The fire, which was kept under control by the oil refinery fire brigade all the time, was extinguished in the early morning hours. The damage is enormous. [passage omitted]

It is relatively peaceful in Bosanski Brod now. The Information Center does not have any information about wounded and dead. There is still no electricity, while the supply of water is hampered.

Barracks Near Foca Siezed; 7 Muslims Said Killed

AU2704191092 Sarajevo Radio Sarajevo Network in Serbo-Croatian 1700 GMT 27 Apr 92

[Report by Vehbija Karic from the Territorial Defense of Bosnia-Hercegovina]

[Text] We have been informed by reliable sources that the barracks of the so-called Yugoslav People's Army [JNA] in the Filipovic area near Ustikolina in the Foca Commune, which had taken in a number of ethnic Muslim citizens to protect them because of the well-known events in Foca, has been attacked and seized by

terrorists and the self-styled Serb Territorials. The barracks fell into the hands of terrorists after the premises and refugees were surrendered by Dragomir Krstovic, a major in the so-called JNA.

On this occasion, the terrorists killed seven young ethnic Muslim refugees on the spot. Others were taken to the correction center in Foca. Refugee eyewitnesses claim to have seen a large number of dead bodies alongside the road from Ustikolina to Mostar.

Unfortunately, we are constantly made aware of the quote, neutrality, unquote of the so-called JNA, a foreign armed force in Bosnia-Hercegovina. Every additional moment of presence in the Republic of Bosnia-Hercegovina is simply being used to destroy towns, districts, and infrastructure. Even negotiations are being used for the most sinister deeds.

In Zivinice, members of the Territorial Defense disarmed two soldiers at around 1200. Then, during negotiations between the commander of the Territorial Defense of the Zivinice Commune and the commander of the regional headquarters of the Territorial Defense, Major Bracar, a JNA officer, had two military police arrest the commanders and take them to the barracks. Later a group of officers and soldiers of the so-called JNA attacked members of the Territorial Defense in two motor vehicles. One lieutenant among the attackers was killed and one captain first class and a soldier were captured.

Otherwise, planes of the so-called JNA have been flying over Zivinice all day and the barracks has threatened to bombard the town. A meeting was arranged for 1800 in the Tuzla Hotel in the presence of EC mission observers, unless they are captured beforehand as well.

Here is a public statement: A group from the top leadership of the so-called Ministry of Internal Affairs of the Serbian Republic of Bosnia-Hercegovina, which includes Mico Stanisic, Slobodan Skitina, Momcilo Mandic, and Mladjo Mandic, carried out during the cease-fire the kind of theft unheard of in the recent history of international crime. They stole 16,000 SFRY [words indistinct] which, with the forged stamp of the so-called Serbian Ministry of Internal Affairs and the signatures of Stanisic, Skitina, and Mandic, have been selling during the last few days for between 100 and 250 German marks on the black market in Belgrade and towns in the Republic of Serbia

JNA Defends Actions in Mostar Area

LD2704224692 Belgrade TANJUG Domestic Service in Serbo-Croatian 2028 GMT 27 Apr 92

[Text] Trebinje, 27 Apr (TANJUG)—The information service of the Yugoslav People's Army's [JNA] Second Operational Group for Hercegovina tonight stated that the JNA units in the area of Mostar today responded to attacks that they had been exposed to for days. The statement says:

"The village of Klepci, which was destroyed during World War II, was shelled during the entire afternoon, while the village of Zitomislici is in flames. At the same time, Mostar radio is calling on the Croat and Muslim population supposedly to defend themselves, but in fact they are being called on to fight.

The plight of Mostar and its surroundings is part of a plan made by the Croat Council of Defense. The enemy forces have occupied schools, cultural institutions, sports halls, and historical monuments and are firing from these positions. When the Army responds, they accuse it of aiming at civilian targets.

At 1835 a shell fired from Hotel Ruza fell on JNA positions. Today at 1200, the enemy attacked JNA positions with heavy artillery fire from numerous directions. After artillery preparations an attack of infantry units was launched.

When its men and facilities were endangered, the JNA responded energetically. The Army is still supporting a peaceful way of solving the current crisis.

It is obvious that the peaceful option does not suit the enemy and so it attacks the JNA units every day, mostly under the cloak of the night, the statement says.

Serbs Mobilize Against 'Green Beret' Attacks

LD2704163792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1121 GMT 27 Apr 92

[Text] Gorazde, 27 Apr (TANJUG)—The crisis headquarters of the Serbian municipality of Gorazde today proclaimed general mobilization that all inhabitants of Gorazde between the age of 18 and 60 must heed before the afternoon of 29 April. The headquarters of the Serbian municipality of Gorazde says that the mobilization was proclaimed because of frequent attacks by members of Green Berets [Muslim paramilitary forces] on Serb villages, as well as because of an attempt to take over a military ammunition dump in the village of Ustikolina, between Gorazde and Visegrad.

In Gorazde, which is inhabited mainly by Muslims, there have been no serious armed clashes so far. A citizens' forum, which has managed to keep the situation reasonably calm, has been active in the town.

Pinheiro, Tudjman, Carrington Assess Progress

LD2404160192 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 24 Apr 92

[Text] At the end of their two-day visit to the territory of former Yugoslavia, Joao de Pinheiro, chairman of the EC Council of Ministers, and Lord Carrington, chairman of the European Peace Conference on Yugoslavia, had a brief meeting in Zagreb with Croatian President Franjo Tudjman. After talks were held in Villa Zagorje they told journalists the following:

[Begin recording] [Pinheiro in Portuguese with superimposed Serbo-Croatian translation] I am very pleased that the basic lines that we are proposing have been accepted by President Tudjman. If it were not so it would be very difficult. We hold that support by all sides directly or indirectly interested in the Bosnia-Hercegovina situation is particularly important, therefore, we are continuing with our efforts. [end recording]

After that Tudjman addressed journalists:

[Begin Tudjman recording] In talks that we, the Croatian delegation, had with Mr. Pinheiro, chairman of the European Council of Ministers, and Lord Carrington, chairman of the Conference on Yugoslavia, we stressed our full support for the efforts being invested to find a peaceful solution; to put a definite end to the war in Croatia and the occupation of Croatian territories; and particularly, I should say, to find a peaceful solution to the situation in Bosnia-Hercegovina. We recalled that Croatia recognizes Bosnia-Hercegovina. We recalled that in Croatia we have particular problems and difficulties with more than 170,000 refugees from Bosnia-Hercegovina, which is further aggravating our already difficult economic situation because of the war that we have.

Therefore, we support and will do everything on our part to make sure that a peaceful settlement of the Bosnia-Hercegovina crisis is found on the basis of the recognition of the sovereignty and independence of Bosnia-Hercegovina, and on the basis of a draft drawn up by Ambassador Cutileiro in talks with representatives of the three nations in Bosnia-Hercegovina. We hope that efforts by the European Community, the CSCE, and the UN Security Council will make the Serbian imperialists and the Yugoslav Army abandon their plans, which have led to the destruction now taking place in Bosnia-Hercegovina, and which we faced for some previous months until a cease-fire was established in Croatia.

We were particularly concerned with the fact that, in the shadow of the arrival of the Blue Helmets, the eviction of the Croatian people and other non-Serbian nations from occupied territories in Croatia has been taking place and the bombardment of Vinkovci and Osijek has been continuing. We informed the gentlemen about these facts, hoping that the final deployment of peace-keeping forces would bring about an end to such activities in Croatia, until peace in Croatia has been established, and together with the European Community we will do everything in order to prevent further bloodshed in Bosnia-Hercegovina. [end recording]

Lord Carrington, chairman of the European Peace Conference on Yugoslavia, briefly stated:

[Begin recording] [Carrington in English with superimposed Serbo-Croatian translation] I had the good fortune to have a translation of what President Tudjman said, and I do welcome his support for the European Community, the Portugese foreign minister, and for what we tried to do yesterday in order to achieve a cease-fire, and then to continue with the conference on Bosnia-Hercegovina next week under the chairmanship of Ambassador Cutileiro. I believe it is the only way to achieve peace in Bosnia-Hercegovina, and the fact that for this we have the support of Croatia and President Tudjman is of great importance. [end recording]

Army Accused of Violating Cease-Fire

LD2504140692 Belgrade TANJUG in English 1243 GMT 25 Apr 92

[Text] Trebinje, April 25 (TANJUG)—Croatian Armed Forces on the Dubrovnik-Hercegovina crisis area continued armed provocations, despite a ceasefire agreement, Yugoslav Army sources announced on Saturday.

The sources said the forces of the secessionist Yugoslav Republic of Croatia opened on Friday strong artillery fire (from mortars and tanks) on the positions of the Yugoslav Army. Vigorous response ensued.

Members of the Armed Forces of Croatia, as announced, for the most part observe ceasefire in the the Dubrovnik region, although there were instances of sporadic fire.

The night of Friday-Saturday was not a peaceful one in Mostar, where since the beginning of conflicts in Bosnia-Hercegovina there was no peace, and all army barracks and installations were under blockade, including the airport, by Moslem and Croatian paramilitary forces, was relatively calm.

According to the reports of the Mostar Security Service Center, which is under control of Moslems and Croats, there were no larger-scale clashes, apart from sporadic infantry and rare artillery fire.

Ministry Denies Allegations

LD2704213592 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 27 Apr 92

[Text] The Ministry for Defense of the Republic of Croatia denies the untrue allegations cited in the report of the so-called Federal Secretariat for National Defense to the effect that the Croatian Army is allegedly violating the cease-fire. To illustrate this, the Ministry for Defense of the Republic of Croatia sets forth some facts regarding an event on 26 April this year in east Slavonia. The report by the Federal Secretariat for National Defense

stresses that the Yugoslav Army's facilities and units were attacked with two shells on that date. The truth is that during that day alone 17 mortar shells landed on positions of the Croatian Army in Borinci and Ivankovo near Vinkovci, Tvrdjavica near Osijek, and Koritna near Djakovo. On that same day, houses in the village of Karadzicevo—part of the area under the Yugoslav Army's temporary occupation—were set on fire after being looted and mined.

As for the allegations regarding Bosnia-Hercegovina, the international public knows which, or whose, policy does not want to recognise Bosnia-Hercegovina's sovereignty and whose units fit the role of an occupying army. The latest stubborn attempts to depict the Republic of Croatia as one of the perpetrators of the clashes in the Republic of Bosnia-Hercegovina are groundless. The intention is, however, obvious: To create mistrust and hostility between the Croats and Muslims in the Republic of Bosnia-Hercegovina, who are facing the same enemy and aggression against the republic's sovereignty.

Osijek Battlefield 'Quiet' on Morning of 25 Apr

LD2504082592 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 25 Apr 92

[Text] It has been quiet this morning on the Osijek battlefield. The latest incident happened last night at about 2300, when two heavy explosions were heard from the town's northern defense positions.

According to the Osijek general hospital, one dead person and one wounded person from the outskirts of Osijek were taken to the hospital during the morning. Although there have been no mortar attacks, snipers have been in action.

'Sudden' Artillery Attack Kills 2

LD2704161492 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 27 Apr 92

[Report from Valpovo by Vladimir Vazda]

[Excerpt] Following a relatively peaceful morning on the Valpovo front, the army of occupation and Serbian terrorists based in Baranja launched an artillery attack on Belisce, Bistrinci, and Valpovo at 1500 this afternoon. They chose to attack at the time when people were going home from work. This sudden attack resulted in fresh civilian fatalities. According to initial reports from the Valpovo medical center, two persons were killed and two wounded. Fresh damage has been done to residential and industrial buildings. [passage omitted]

Krajina Government Welcomes FRY Proclamation

LD2704200192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1717 GMT 27 Apr 92

[Text] Knin, 27 Apr (TANJUG)—In reaction to the proclamation of the constitution of the Federal Republic of Yugoslavia [FRY], the Government of the Republic of Serb Krajina has sent greetings to the Federal Assembly stating that the newly-created state is being viewed as Krajina's own motherland.

"The freedom-loving people of the Republic of Serb Krajina have welcomed with undisguised satisfaction and exhilaration the magnificent moment when the new state was constituted and the Constitution promulgated by the Federal Republic of Yugoslavia as the successor of former Yugoslavia's legal, international, and political status," the telegram says.

Bank Governor Interviewed on Coupons

92BA0799A Zagreb DANAS in Serbo-Croatian
14 Apr 92 pp 20-21

[Interview with Dr. France Arhar, governor of the Bank of Slovenia, by Ivo Jakovljevic; place and date not given—first paragraph is DANAS introduction]

[Text] Six months after monetary independence, the governor of the Bank of Slovenia speaks to DANAS about Slovene coupons as an almost convertible money, about the "real" tolars that are to be introduced soon, about Slovenia joining the IMF, and about financial ties and disputes with Croatia.

[Jakovljevic] Today, citizens can buy any convertible currency at any bank with Slovene coupons, and the former foreign currency black market has dwindled down to a mere speculative minimum. Does this mean that Slovenia has achieved a financial miracle of a sort?

[Arhar] Neither finances nor the economy as a whole are susceptible to miracles. Today, the Republic of Slovenia is indeed monetarily a totally independent state that, we hope, is on the best road to full-fledged membership in the International Monetary Fund. But, until such time many things must be changed in the economic performance of the Slovene economy as well as in Slovene finances.

[Jakovljevic] Can the relative stability of the Slovene tolar today be explained only by the transitory war that took place on Slovene soil?

[Arhar] What we should remember is that only a day or two before the aggression onto Slovene soil by the JNA [Yugoslavian National Army], an incomplete Council of Governors of the National Bank of Yugoslavia [NBJ] handed down the decision to remove Slovenia and Croatia from the monetary system of the SFRJ [Socialist Federal Republic of Yugoslavia], after which the Slovene Government agreed to the so-called Brioni moratorium, as did Croatia, and following the expiration of the three-month moratorium on 7 October 1991 and based on the June decision of the Slovene parliament, full monetary independence followed for Slovenia. Yugoslav dinars were exchanged for Slovene coupons in a matter of three days, but to this day there is a contested claim by the NBJ that alleges, according to their estimates, that the Bank of Slovenia has taken 27 billion dinars out of circulation. The truth is, the amount of cash is much smaller, and this is only one of the issues that have to be resolved as part of the package for the dividing up of the federal debts and credits, as well as some still existing federal, civilian, and military property.

However, the above-mentioned money exchange contributed only slightly to the stability of the Slovene temporary currency; the biggest contribution came from new Slovene monetary policies. At the moment of introduction of the Slovene coupons, which the Ministry of Finance issued as a temporary currency until distribution of the "real" currency, tolars, the banking system in Slovenia, too, was highly solvent and it was threatened by hyperinflation.

[Jakovljevic] What measures have you taken at the Bank of Slovenia, as a newly established central bank, to prevent hyperinflation?

[Arhar] The Bank of Slovenia immediately introduced the "tolar" discount rate and, above all, restrictive monetary policies. The redemption quota, which we took from the Yugoslav monetary system in the amount of 6.3 billion dinars, was quickly reduced to 0.7 billion tolars. At the same time, during the months of October, November, and December, we took another 11 billion out of circulation! We also abolished selective loans that before were approved by the National Bank of Slovenia and were one of the major functions of the central banking business in Yugoslavia. This move was met with criticism from both the Slovene exporters and farmers who were used to that type of money, but we survived and left credit financing for such purposes to the business banks.

[Jakovljevic] Each new government likes to tackle the primary issue of money. How did you deal with the demand that the expenses of the new Slovene state be financed in this way?

[Arhar] The Bank of Slovenia was successful in carrying out its intention to put primary money into circulation only through foreign currency transactions and operations on the open market. Therefore, we did not lend a single tolar to the new Slovene state! But, the Ministry of Finance did not ask for primary money either.

[Jakovljevic] Slovene coupons, as a temporary currency, are today almost convertible money. Although the coupons are not "real" money, one can buy dollars, Deutsche marks, or schillings with them at Slovene banks. How big are the foreign currency reserves which stand behind such stable quasi-money?

[Arhar] As early as the beginning of October, the Slovene foreign currency reserves were almost equal to zero! Practically speaking, there were none. That's why during October and November, all exporters paid 30 percent of their foreign currency income to the state in order to create foreign currency reserves. But, when as a result of the restrictive monetary policies in Slovenia a shortage of tolars began, we, at the Bank of Slovenia, abolished such cession for foreign currency reserves. So, from that moment on, the foreign currency and tolar liquidity began to perform as connected vessels. If you want to have tolars, you have to sell foreign currency because the primary issue does not exist as yet. Therefore, starting with the end of December, we have been increasing the foreign currency reserves only through the selling of tolars and stocks for foreign currency. Today, the foreign currency reserves of the Republic of Slovenia are about 500 million dollars, of which 200 million is in the Bank of Slovenia, the rest in business banks.

[Jakovljevic] What are the main goals today of the Slovene Central Bank?

[Arhar] There are only two major goals: stability of the exchange, and the normal liquidity of economic life. That's why we decided that with our monetary policies we, first and foremost, must create and then maintain conditions for a stable economic course and to avoid stimulation of production which, until recently, was one of the most important goals of the monetary policies of the Yugoslav monetary system. Transition to such monetary policies is extremely difficult for those who must carry them out because they are exposed daily to strong and diverse pressures. What all sides expect and demand from the Central Bank is—to give in. But, we are still holding strong. Even under such circumstances we have managed to have foreign currency reserves at this time only 100 million dollars less than the supply of money (M1), so we are rather close to the Currency Board condition where there is one-hundred percent coverage for the supply of money in the foreign currency reserves.

[Jakovljevic] How do the Slovene business banks, not having completed the process of privatization, make out in this new environment?

[Arhar] The business banks in Slovenia have a free hand but with such freedom they also take on all of the risks. For some banks, that is for some bank directors, this freedom is much more difficult than before under directed business operations. I believe that time, new people, and competition will quickly change things.

[Jakovljevic] Is the new Slovene money becoming the most expensive commodity in Slovenia? How high is the discount rate at which the Central Bank loans money to business banks? And how high is the interest rate in the money market?

[Arhar] Since October, the discount rate has been 5.2 percent monthly but with a decimated redemption quota of the earlier-mentioned amount of 0.7 billion tolars. The interest rate in the money market is, however, 20 to 25 percent higher than the discount rate and, according to econometric analysis, it indeed seems very high. So, money on the Slovene market today is very expensive. The main reason being, the shortage of capital offered to the market or rather offered as "contaminated assets." That is why the financial reorganization of Slovene banks and enterprises, and privatization as the next step, are a crucial set of measures along the road to Europe. The interest rate on treasury bonds is 7.75 to 8.125 percent monthly. The lowest interest rate, of only 1 percent, is required on the legal reserves of the banks (which must be maintained at a rate of 12.5 percent for sight funds). With such low interest rates on the legal reserves, we can motivate banks to lower their interest rates on sight deposits.

[Jakovljevic] Why did Slovenia, a small country, choose the system of fluctuating instead of fixed exchanges, such as the Croatian Government did?

[Arhar] We had to test this new, and at the same time, temporary Slovene currency in a free market situation. One Deutsche mark, for quite some time now, has cost between 52.10 and 52.60 tolars in all Slovene banks. In the weakening black market, one Deutsche mark, as I hear, costs about 53 tolars. Practically speaking, Slovene currency has been convertible since January. This is owed to, among other things, the very successful sale of apartments for foreign currency. Under such circumstances, our exporters were able to bring foreign currencies into the country whenever they wished to, without the obligation of doing it within 60 or 90 days. But, in order for them to obtain domestic solvency, they must bring in their foreign currencies in a much shorter period of time.

[Jakovljevic] We heard in Ljubljana that the Bank of Slovenia might issue "real" tolars as early as June, only two months later than announced earlier?

[Arhar] I'll show you photocopies of the new Slovene bills and coins, real tolars, made in Great Britain in appropriate denominations and in high-quality form, paper, and graphics. But, I have to tell you that we still do not have a detailed plan or idea as to a D-day when Slovenia will introduce its "real" tolar. To introduce this real currency, which the Bank of Slovenia will issue to replace the coupons issued earlier by the Ministry of Finance, full economic and financial stability will have to have been achieved together with the corresponding foreign currency reserves, as well as, a balance of payments with foreign countries, a low rate of inflation, and an efficient banking system.

But, a normal national currency is also a condition to be met for Slovenia to enter the IMF, which will also help decide when Slovene banks will enter the international capital market.

[Jakovljevic] What are the chances at this moment for Slovene membership in the IMF?

[Arhar] The "missionaries" from the IMF visited Slovenia last year in December to research Slovenia's experiences in monetary reform so that they can compare and apply such experiences in other former socialistic countries. Experts from the World Bank came to Slovenia in March. We believe that there are realistic possibilities for Slovenia to become a full-fledged member of the IMF as early as this fall, most probably together with Croatia.

[Jakovljevic] Do you personally feel that there is a need for pragmatic coordination of monetary policies among the newly established states, on the territory of the former Yugoslavia, in order to stimulate free trade in that zone in the postwar period?

[Arhar] To bring something like that about at all, it is necessary for all the successors of the SFRJ to first agree on the division of property, and of mutual and federal debts and payments. After that, it would be ideal for all the states to have a coordinated monetary policy, perhaps even a common currency. But, it is obvious that for

some time conditions will not be right. After all, it took more than 40 years for the European Community to reach their present high level of economic integration and it still does not have a totally uniform monetary policy, not to mention a common currency. The basic conditions for any coordination of macroeconomic policy in this, the southern Slavic community, are uniform inflation rates; stable prices, exchanges, and budgets; and large foreign currency reserves. But, that still seems to be a distant dream and one that seems to be even more distant as the war goes on.

[Jakovljevic] What is blocking a Croatian-Slovene exchange at this moment? Why has it been reduced by half, now that both republics are independent and absolutely free?

[Arhar] Partly, it is because of the war and Serbian aggression. But, to this we have to add the existing difference in the quality of the Slovene tolar and the Croatian dinar: One is a currency that is almost convertible, the other is still in war. A clearing agreement was necessary, a temporary solution which, by its very nature, is worse than a convertible means of payment. At the moment, both Slovene and Croatian firms avoid any significant exchanges because of the risky payment situation, and tend to pay in Deutsche marks. The Croatian dinar does not sell easily in any Slovene bank.

[Jakovljevic] On the Ljubljana black market, the exchange rate is two Croatian dinars for a tolar because, so they say, in Ljubljana one Deutsche mark sells for 52 tolars, while in Zagreb the Deutsche mark sells for about 90 Croatian dinars.

[Arhar] Such explanations are certainly possible. However, officially in Slovenia one tolar is worth 0.70 Croatian dinars. When Croatian dinars enter the Slovene foreign currency reserves, everything will be much easier.

[Jakovljevic] Does the low exchange rate for the Croatian dinar have anything to do with the still existent, unresolved and disputed, issues between Slovenia and Croatia regarding outstanding Ljubljanska Banka debts towards Croatian depositors?

[Arhar] All of this may be connected. The open issues connected with property and the debts of Ljubljanska Banka in Croatia are, according to us, only a part of the overall picture of the division of property, debts, payments, and relations with the former Yugoslav federation.

There is no reason for Croatian and Slovene bankers to argue over these points when everything can be settled through agreements, but at the same time, there is no reason to come to hasty, partial solutions either.

Croatia's Bank Governor Speaks in Ljubljana

92BA0801A Ljubljana DELO in Slovene 11 Apr 92 p 2

[Interview with Dr. Ante Cicin-Sain, governor of the National Bank of Croatia, by Miha Jenko; place and date not given: "From the Dinar to the Croatian Crown"—first paragraph is DELO introduction]

[Text] Governor of the National Bank of Croatia Dr. Ante Cicin-Sain at an evening discussion at the Ljubljana Economic School; the issue of the fishing industry has been settled; inflation.

Ljubljana, 10 Apr—The guest at the second reception at the Ljubljana Economic School yesterday was the governor of the National Bank of Croatia, Dr. Ante Cicin-Sain. He and his host, Dr. Bogomir Kovac, spoke about economic relations between Slovenia and Croatia and the well-known current complications, and compared the ways in which the two states left the former Yugoslavia. The guest also spoke about Croatia's economic situation and the monetary situation and policy there. In the end, the discussion primarily indicated that both sides still had many economic issues to resolve.

When he spoke about economic cooperation between the two states, he emphasized that the Slovene surplus in the balance of payments with Croatia was not administratively determined, since no one was forcing anyone to sell to Croatia. He also called upon Slovene enterprises to buy more goods in Croatia. As he said, payment transactions are taking place mostly in Croatian dinars, and in this respect there are still the least problems, according to him.

Monetary Reform

Cicin-Sain avoided Kovac's invitation to comment on the issues of Elan, the Ljubljana Bank, and other still unresolved financial complications between the states with the idea "that different monetary systems inevitably lead to difficulties." Regarding the Ljubljana Bank's branch in Zagreb, he said "that it is a Slovene bank, is half a billion dollars in debt to its depositors." Croatia is demanding compensation for the funds that it assumed itself, and claiming that these are furthermore obligations of the Ljubljana Bank and the Slovene state.

Cicin-Sain also told the audience that he was speaking "on his own behalf and on his own account." By the way: The representatives of Slovene monetary and executive authorities whom we saw at the reception were Deputy Prime Minister Ocvirk, Governor of the Bank of Slovenia Arhar, Deputy Governor Kosak, and member of the board of the Bank of Slovenia Ribnikar.

Cicin-Sain said that the Croatian gross social product, which previously reached $14 billion, fell in 1991 to about $10 billion. This year's planned budget deficit amounts to about $2 billion: At the beginning of the year, it was expected that about $1 billion of this would be obtained from abroad during the first half of the year. So

far, Croatia has not yet received that aid. Nevertheless, as he said, Croatia has not yielded to the temptation to shift to a wartime economy, and even in the war situation, market economic mechanisms are functioning.

The Croatian monetary reform is to take place in two phases. The first one covers the introduction of the Croatian dinar; this money should have less inflation than the Yugoslav dinar. This is to be followed by a transition to the Croatian crown, which is to be firmly tied to some foreign currency. In his opinion, the first phase will be crucial, since it is necessary to be careful to avoid hyperinflation. In this respect, there are two obstacles: state expenditures and the budget, and "socialist" entrepreneurship, which is still relying on subsidies from the monetary system and cheap loans. Thus, at the beginning of this year, the National Bank of Croatia already changed the discount rate from 40 percent annually to 12.4 percent monthly, which amounts to 340 percent per year.

Slovenia Prepared Itself

One of the main reasons for the different situations in Croatia and Slovenia, in his opinion, is that the latter got rid of the JNA [Yugoslav People's Army] in seven days, and did not have problems with the borders. Slovenia was also supposedly preparing itself for at least 10 years to leave Yugoslavia, and systematically training personnel abroad. In his opinion, both Slovenia and Croatia drastically underestimated the costs of the departure and of the collapse of Yugoslavia.

In response to Kovac's question about whether the complications between the states that had arisen during a period of almost a year were a consequence of the incompetence of both governments, or whether they were a reflection of different political interests during the disassociation period, Cicin-Sain said, among other things, that he was not convinced that there were very competent administrations on both sides.

Also interesting is his idea that Slovenia and Croatia should jointly service some of the combined debts of Macedonia and Bosnia-Hercegovina. In his opinion, they would thus substitute for Yugoslavia earlier, and break through into international financial markets.

We asked Governor Cicin-Sain first of all how, in his opinion, the Ljubljana Bank or Slovenia should provide compensation for the foreign exchange funds that had been invested in the Ljubljana Bank's branch in Zagreb.

[Cicin-Sain] These are the Ljubljana Bank's obligations to citizens in Croatia. When citizens transfer their claims upon the Ljubljana Bank to the Republic of Croatia, the latter acquires claims upon the Ljubljana Bank. When we talked about this with the Ljubljana Bank, we determined that the Republic of Slovenia had to be involved in this. How compensation is to be provided for this is a matter for all the parties concerned. A claim exists in this regard that can be settled in money, or in other real goods and services.

[Jenko] What are the specific Croatian demands? What does Croatia want, and what would it take?

[Cicin-Sain] I cannot answer this. It exceeds my authority.

[Jenko] But it has already been discussed specifically at meetings of officials from both countries?

[Cicin-Sain] It has already been discussed on many occasions, but the discussion has always gone back to the same things. The Ljubljana Bank itself does not want to do it, or cannot. Alternative solutions have to be found, since an unsettled claim exists.

[Jenko] According to the information available, foreign exchange is required for this.

[Cicin-Sain] I think that is not the case. Nevertheless, Slovene enterprises, if they want to and if they find a buyer for it in Croatia, can also sell their goods by agreement and obtain payment for them in local or any convertible currency. It is a matter for an agreement.

[Jenko] In your opinion, what other unresolved issues should be discussed with Slovenia—in addition to the fishing industry?

[Cicin-Sain] I think that this issue has been resolved. There are also transit issues. One of the areas, for instance, is air transportation. It is irrational for each republic to have its own airline. We could do it together. I think that the Slovenes were right on this. In general, I think that the economies of both states will be capable of surviving if appropriate solutions can be reached.

[Jenko] What is your cooperation with the Bank of Slovenia like?

[Cicin-Sain] Good. On some matters, such as, for instance, our accession to international financial organizations or the problem of the division of property, I think that we have not done everything that we could have done in our mutual interest.

[Jenko] How did you reduce inflation by introducing the Croatian dinar?

[Cicin-Sain] The rate of inflation is declining from month to month. In October we had a 26 percent monthly rate, in November 24.5 percent, in December 17 percent, in January about 16 percent, in February about 15 percent, and in March 14.6 percent monthly inflation. We thus have a slight declining trend in the growth of prices.

[Jenko] Is this due to the National Bank of Croatia? We know that you have encountered pressure from the Finance Ministry.

[Cicin-Sain] Yes, we are fighting it.

[Jenko] When will Croatia be admitted to the IMF?

[Cicin-Sain] When Slovenia is. Quite soon.

Dragonja Border Crossing Blocked by Fishermen

92BA0787C Ljubljana DNEVNIK in Slovene 10 Apr 92 p 24

[Article by Toni Peric: "Closure of the Border Crossing"—first paragraph is DNEVNIK introduction]

[Text] The fishermen are acting more and more aggressively, and have already drafted a list of demands; as early as Saturday, there will probably be talks in Izola with Oman and Osterc.

Dragonja, 10 Apr—Yesterday's closure (from 0900 to 1100) of the Dragonja border crossing passed without major complications or standstills, since after all the Secovlje border crossing is very close. As a sign of protest against what in the fishermen's opinion is an unsuitable agreement with Croatia, the coastal fishermen closed the Dragonja border crossing, with automobiles and also personally.

The fishermen are particularly dissatisfied that the agreement with Croatia does not also provide for a permit to catch white fish. This particularly angers them because they say that this "category" actually conceals more than 80-percent cephalopods, and only a few percent consist of the white fish actually caught. The fishermen think that the government is only concerned with Delamaris, whose processing is based primarily upon blue fish, and they are demanding that the Slovene government reach an agreement with Croatia that Slovene fishermen can catch 250-300 tons of white fish in the Croatian part of the Adriatic. Admittedly, as they emphasized several times, this mostly involves only cephalopods.

In addition, the fishermen are demanding that from now on they be members of the delegation that will negotiate in Zagreb with the Croatian representatives of professional fishermen. There are 119 of them on the coast, and about 35 percent of them are directly affected by the ban on catching white fish. Of course, the fishermen are demanding monetary compensation for lost earnings and, to boot, the resignation of Assistant Agriculture Minister Srecko Perko. At the same time, the fishermen expect and demand that the Slovene government will prepare a suitable program for restructuring the surplus labor force in the fishing industry, and for continuing intensive negotiations with Croatia.

As early as this afternoon, the fishermen will hold a rally in Izola of all those affected, and tomorrow they also expect to have in their midst Osterc and Oman, who have supposedly guaranteed that they will come to Izola.

'Fishing War' With Croatia Ends

92BA0807B Ljubljana DNEVNIK in Slovene 15 Apr 92 p 24

[Unattributed article: "Nevertheless an End to the Fishing War?"—first paragraph is DNEVNIK introduction]

[Text] In the future, Slovene fishing in Croatian waters will be strictly controlled; compensation in the amount of 300,000 German marks will have to be paid to Croatia for the permitted catch of 2,000 tons of lower-grade fish.

Zagreb, 15 Apr—It seems that the Slovene-Croatian fishing war is over, namely with an agreement between both republics on maritime fishing that was prepared by the Ministry of Maritime Affairs, the Croatian Government, and the Croatian Republic Assembly's committee on maritime affairs, and has already been adopted. According to this agreement, Slovene fishermen could start as early as in the next few days to fish legally in the Croatian part of the Adriatic. The agreement will still have to be ratified by the parliaments of both states, but it is assumed that it will begin to be implemented as a provisional agreement between the two governments even before the end of its parliamentary process.

According to this agreement, Slovene fishermen would be able to catch 2,000 tons of lower-grade fish until the end of the year; in exchange for this, the Slovene Government will have to pay Croatia 300,000 German marks (converted to dinars or tolars on the date of payment). It is only permitted to catch lower-grade fish, of which there are between 200,000 and 300,000 tons in the Croatian part of the Adriatic, according to estimates by experts, and thus the Slovene catch does not jeopardize maritime resources, which is often cited as the reason for rejecting foreign requests to fish in the Croatian sea. It is completely different, however, with higher-grade fish, which are not permitted to be caught. Experts think that only 7,450 tons of higher-grade fish could be caught per year in the Croatian sea, but the present catch is three times higher, as a result of which this type is already seriously endangered. The funds that will be obtained from the Slovene Government for fishing in the Croatian sea will be allocated exclusively for the restoration of ruined fishing areas.

Limits have also been set with respect to catching lower-grade fish, and thus catching tuna will not be permitted. It is expected that six Slovene fishing boats will be enough for the planned size of the Slovene catch in Croatian waters; they will probably be Delamaris's fishing boats, and all other Slovene boats caught in the Croatian sea will be considered poachers.

Such strict regulations on Slovene fishing in the Croatian sea are conditional upon the need for fishing to be strictly controlled. Each Slovene fishing boat will have to have a special permit from the Slovene Ministry of Agriculture and Forestry, with a precisely specified amount of fish that that boat can catch in the Croatian sea, and there will also be very rigorous control on the Croatian side as well. The agreement is to be in effect until the end of the year, and if the partners are satisfied, they will be able to extend it.

Italy Offers To Build Power Plants on Sava

92BA0807A Ljubljana DELO in Slovene
15 Apr 92 p 3

[Article by Tonja Slokar: "The Italians Would Build Power Plants on the Sava"—first paragraph is DELO introduction]

[Text] The president of the Italian institution European Financial Engineering in Slovenia; the decision will be a political one.

Ljubljana, 14 Apr—Will power plants on the lower part of the Sava River be built by the Italians? Dr. Teobaldo Companelli, the president of the Italian institution European Financial Engineering, which organizes the financing of public works in Europe, came to Slovenia today with such an offer. His offer is that the Italians will provide $600 million for building an entire chain of power plants on the lower Sava (and perhaps also for the completion of the Vrhovo hydroelectric power plant), and in exchange, Italy would receive electricity from these power plants.

Dr. Campanelli attempted to persuade the representatives of our government, Energy Minister Miho Tomsic and Ministry of Industry Izidor Rejc, of the mutual benefits of Italian-Slovene energy cooperation, which will also be supported financially by the Italian government through favorable loans; the state electrical enterprise Enel is also prepared to purchase Sava electricity. Of course, he is aware that it will still be necessary to agree on the final price for this electricity, but in his opinion, the export price (7 or 9 pfennigs per kilowatt-hour) should not jeopardize the joint energy investment, since the price would only determine how long (15 or more years) Slovenia would send electricity to Italy to pay for the investment. In any case, he claims that it has already been calculated in Italy that investment in a chain of power plants on the Sava River would be profitable, since it would also employ Italian and Slovene industry for nine years, and after repayment Slovenia would be left with the energy sources. He only warned our side that it would have to hurry to make a decision and conclude the necessary agreements, since the Italian state and Enel could change their minds.

Izidor Rejc, to be sure, supported the project offered by the Italians in principle, but said that everything would depend upon a political decision here, since this project was tied to the closing of the Krsko nuclear power plant. Dr. Miha Tomsic did not make a clear decision on the Italian offer either, since he thinks that it has to be given expert consideration by Elektro Slovenija as well, and especially by the European Bank for Reconstruction and Development, which has also offered, along with the Austrians, to help build energy installations here.

International

PRC Affirms Recognition of New Republic

LD2704142592 Belgrade TANJUG Domestic Service in Serbo-Croatian 1149 GMT 27 Apr 92

[Text] Belgrade, 27 Apr (TANJUG)—The People's Republic of China is the first country to confirm that it recognizes the continuity of Yugoslavia, in other words, the continuation of relations and friendly cooperation with the Federal Republic of Yugoslavia.

As the TANJUG editor for diplomatic affairs learned today in the Federal Secretariat for Foreign Affairs, the Yugoslav ambassador in Beijing, Ilija Djukic, was informed in the Chinese Ministry of Foreign Affairs that China is ready to continue developing friendly relations with the Federal Republic of Yugoslavia on the basis of their traditionally friendly relations. Ambassador Djukic was told that the Chinese Ministry of Foreign Affairs will therefore give appropriate instructions to its ambassador in Belgrade.

Federal

Assembly Adopts New Federal Constitution 27 Apr

LD2704131392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1005 GMT 27 Apr 92

[Text] Belgrade, 27 Apr (TANJUG)—The Federal Chamber of the Yugoslav Assembly today adopted the Constitution of the Federal Republic of Yugoslavia, which is composed of Serbia and Montenegro. The ceremonial proclamation of the Constitution will be held at a session which has been convened for 1200 GMT today.

The Constitution of the third Yugoslavia was adopted by a majority vote: seventy-three delegates voted in favor, one voted against, and there were three abstentions.

In addition to the Constitution the delegates adopted a draft law for the implementation of the Constitution and other documents complementing the top legal document of the new Yugoslavia.

Federal Chamber Declaration on Policy

AU2704155492 Belgrade Radio Beograd Network in Serbo-Croatian 1207 GMT 27 Apr 92

[Declaration adopted by the SFRY Assembly Federal Chamber on 26 April in Belgrade and read by Federal Chamber Delegate Miroslav Belovic—live]

[Text] Expressing the will of the citizens of their republics to remain in the joint state of Yugoslavia; accepting all the basic principles of the Charter of the United Nations and the Helsinki and Paris Charters of the CSCE, particularly the principles of parliamentary democracy, a market economy, and respect for human rights and the rights of ethnic minorities; and adhering strictly to the peaceful resolution of the Yugoslav crisis, the people's representatives of the Republic of Serbia and the Republic of Montenegro want to state their views in this declaration on the basic, direct, and permanent aims of the policy of the joint state and its relations with the former Yugoslav republics.

In this sense, the people's representatives of the Republic of Serbia and the Republic of Montenegro state: First, the Federal Republic of Yugoslavia, continuing the state, international-legal, and political status [subjektivitet] of the Federal State of Yugoslavia, will strictly adhere to all the obligations that were undertaken by the SFRY abroad. At the same time, it will be ready to fully recognize the rights and interests of the Yugoslav republics that have proclaimed independence. The recognition of the newly formed states will follow after the outstanding questions that are being negotiated within the framework of the conference on Yugoslavia have been regulated.

Adhering to all the obligations toward the international organizations and institutions of which it is a member, the Federal Republic of Yugoslavia will not hinder the inclusion of the newly-formed states in these organizations and institutions, particularly the United Nations and its specialized [word indistinct]. The Federal Republic of Yugoslavia will respect and exercise the rights and obligations that the SFRY undertook in relation to the territories of the (?Krajina) that were placed under the protection of the international organization within the framework of the United Nations peacekeeping operation.

The Federal Republic of Yugoslavia also remains ready, within the framework of the conference on Yugoslavia, to negotiate issues connected with the final division of assets and liabilities [deobni bilans]. That means both jointly-acquired property and joint debts. If there is any dispute about any of these issues, the Federal Republic of Yugoslavia will be ready to accept the arbitration of the permanent international arbitration court in The Hague.

Second, the diplomatic and consular representations of the Federal Republic of Yugoslavia abroad will continue without interruption to carry out their duties to protect the interests of Yugoslavia and to represent Yugoslavia. They will, until further notice, look after all Yugoslav property abroad. They will also offer consular protection to all SFRY citizens until the final determination of their citizenship status. The Federal Republic of Yugoslavia also recognizes the full continuity of the representation of foreign states by their diplomatic consular representations on its territory.

Third, the Federal Republic of Yugoslavia is interested in reviving the economic, transportation, energy, and other networks on SFRY territory. It is ready to make its full contribution to this.

Fourth, the Federal Republic of Yugoslavia does not have any territorial pretensions toward anyone in its surrounding area. Respecting the aims and principles of the Charter of the United Nations and the CSCE documents, it remains strictly loyal to the principle of peacefully resolving any open question.

Fifth, the highest standards of the protection of human rights and the rights of ethnic minorities envisaged in international legal instruments and the documents of the CSCE will be provided in the Federal Republic of Yugoslavia. The Federal Republic of Yugoslavia will be ready to recognize for the ethnic minorities on its territory all those rights that other members of the CSCE would recognize and exercise for their ethnic minorities.

Sixth, in its foreign relations the Federal Republic of Yugoslavia will be guided by the principles of the Charter of the United Nations and the principles of the CSCE documents, particularly the Paris Charter for the new Europe. As a founding member of the Nonaligned Movement, it will adhere to the basic principles and aims of the policy of nonalignment.

It will build relations of trust and understanding with its neighbors, proceeding from the principle of neighborliness. As a state of free citizens, the Federal Republic of Yugoslavia will be guided in its democratic development by the standards and achievements of the Council of Europe, the EC, and other European institutions with the intention of joining them in the foreseeable future.

[Dated] Belgrade, 27 April 1992

[Signed] The participants in the joint session of the Assembly of Yugoslavia, the People's Assembly of the Republic of Serbia and the Assembly of the Republic of Montenegro.

New Constitution of Federal Republic

LD2704154692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1400 GMT 27 Apr 92

[Text] Belgrade, 27 Apr (TANJUG)—Under its Constitution adopted today, the Federal Republic of Yugoslavia [FRY] is a sovereign federal state based on the principle of equality of its citizens and its member republics.

The FRY is made up of the Republic of Serbia and the Republic of Montenegro as its member republics, and under the constitutional provisions it can be joined by other republics.

The FRY covers a unified territory consisting of the territories of the member republics. The FRY borders are inviolable.

The FRY flag consits of three horizontal stripes: blue, white and red. Its anthem is "Hej, Sloveni" [Hey, Slavs] and its emblem is to be formalized by a federal law.

Belgrade is the capital of the FRY.

Each member republic will have sovereignty over issues which, under the Federal Constitution, do not come within the comeptence of the FRY.

In the FRY power is in the hands of citizens who exercise it either directly or through their freely elected representatives.

The FRY is based on the rule of law. The FRY recognizes and guarantees human liberties and citizens' rights as recognized by international law.

The FRY recognizes and guarantees the rights of national minorities to preserve, develop, and express their ethnic, cultural, lingustic and other characteristics and their right to use their own national symbols in accordance with international law.

The authority in the FRY is divided into legislative, executive, and judicial.

Under the Constitution, the FRY is a single economic space with a single market.

Political pluralism is a condition for and a guarantee of the democratic political system in the FRY.

In the FRY all citizens are equal regardless of their national affiliation, race, sex, language, religion, political or other convictions, education, social origin, property status and any other personal characteristic. They are all equal before the law. Each citizen has the duty to respect the freedoms and rights of others and will be held accountable accordingly.

Freedom of work and enterprise is guaranteed in the FRY. The right to private ownership is guaranteed. Nobody can be deprived of property, nor can it be limited, except when general interests require as envisaged by the law, provided that compensation not lower that the market value of the property is paid to the owner. A foreigner assumes the right to private ownership and the right to enterprise under the conditions of reciprocity.

The FRY establishes policies, adopts and implements federal laws, other regulations and general documents, and secures constitutional and judicial protection in the following areas: Human liberties, citizens' rights and duties as laid down in the Federal Constitution, single market, the development of the FRY, technical and technological systems and the communication systems, safety in all types of transport, international relations, defense and security of the FRY, and health service.

The bodies of the FRY are: the Federal Assembly, the president of the republic, the Federal Government, the Federal Court, the federal state prosecutor, and the National Bank of Yugoslavia. In a special part of the Constitution the power and composition of the Federal Constitutional Court are provided for.

The FRY has an army which protects its sovereignty, territory, independence, and constitutional system. The Yugoslav Army has its active and reserve personnel.

The active personnel consist of professional soldiers and soldiers doing their national service.

The president of the republic commands the army both in peacetime and wartime in accordance with decisions of the Supreme Defense Council.

The Supreme Defense Council is made up of the president of the republic and presidents of member republics. The FRY president is the president of the Supreme Defense Council.

National service in FRY is general. A citizen who does not wish to do his regular military service for religious and other conscientious objections can do his national service in the Yugoslav Army without weapons or in civilian service.

The concluding part of the FRY Constitution, which has a total of 144 articles and is three times shorter than the 1974 SFRY Constitution, deals with modes of changing the constitution, and concluding and transitional provisions.

Kostic Tells People 'Justice Is on Their Side'

LD2704170692 Belgrade TANJUG in English 1620 GMT 27 Apr 92

[Text] Belgrade, April 27 (TANJUG)—Yugoslav Presidency Vice-President Branko Kostic said on Monday [27 April], on the occasion of the proclamation of the Constitution of the Federal Republic of Yugoslavia (SRJ), that the peoples of Yugoslavia, "regardless of all ultimatums and pressure they are subjected to, will again show through their political activities that justice is on their side and triumph over daily political interests of certain countries or groupings."

The presence of ultimatums and pressure "could be felt in the absence of a number of ambassadors of countries which urge for democracy," at today's formal proclamation of the Constitution of SRJ, as Kostic said.

He noted that, as of today, the Presidency of Yugoslavia was no longer Rump, adding it would now fully represent and perform the duties of President of SR Yugoslavia, until one is elected.

The president of Yugoslavia is to be elected within a month, or a month and a half at the latest, after the election and Constitution of the Federal Parliament, Kostic said.

Milosevic, Bulatovic Comment on New State

AU2704172492 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 27 Apr 92

[Text] After the Constitution of the Federal Republic of Yugoslavia was officially promulgated, the presidents of the Republics of Serbia and Montenegro, Slobodan Milosevic and Momir Bulatovic, made statements to Belgrade Radio correspondents Momcilo Boskovic and Radovan Pantovic:

[Begin recording] [Boskovic] President Milosevic, would you please make a statement for Belgrade Radio?

[Milosevic] I would say that today is a historic day for all of us. The Constitution of the joint state of Yugoslavia has been promulgated. As you see, deputies of Serbia and Montenegro, together with deputies of the Federal Chamber, have adopted the most important document of the country. I hope that the adoption of the new Constitution will mean an end to agony and chaos and a beginning of a normalization process, above all of the federal agencies, agencies that are essential for an economic system to function, for a successful economic policy to be carried out, and for very difficult economic problems that have been accumulated to be solved. The problems of this economic crisis have continued for more than a decade. For this very reason, I think that the conditions exist for the new state to carry out its economic revitalization, because it is a state that possesses all the capabilities to develop successfully in all aspects. I am sure that the process of our social and economic recovery will be incomparably shorter than the Yugoslav crisis and this breakup of Yugoslavia under all the pressures we were subjected to. After all, it can be clearly seen that pressures can be withstood, because the fiercest pressures were directed toward foiling the creation of this state.

The creation of this state does not fit into the plan of balance in the Balkans that was conceived by many who do not wish Yugoslavia and its peoples well. I am sure that the creation of this state will encourage many people to endure in the recovery of their countries, to endure in its strengthening [corrects himself] in its success. I hope that we can be optimistic in every respect.

I expect that there will still be many problems. I can say, however—and that is, of course, my personal opinion—that our destiny is in our own hands, and that this new order cannot imply that these people living in Yugoslavia can be in a subservient position, because we cannot be anyone's servants. We want to live on an equal basis with our neighbors, and our neighbors include the entire world. We want to develop a free country and to live in peace, under democratic relations, and with relations to our neighbors as equals. I think that the ideas and goals of this country cannot bother anyone whose intentions are good.

[Bulatovic] My impression as a person, a citizen, (?was) that there is not much room for happiness and satisfaction. It seems to me that most citizens of Montenegro, [corrects himself] of Yugoslavia, regret what has happened. Honestly [words indistinct] we found a more comprehensive solution. Under the circumstances that exist and are a part of our everyday reality, we have done what we could: We have kept a [word indistinct] of

normal life, at least in these two republics. Everything that will be happening later will represent a continuation of a persistent political and diplomatic struggle, in which I believe that the truth as we see and represent it will become part of international opinion about us. [end recording]

Assembly Official on Constitution's 'Weak Points'

LD2704131192 Belgrade TANJUG Domestic Service in Serbo-Croatian 0900 GMT 27 Apr 92

[Text] Belgrade, 27 Apr (TANJUG)—The dramatic political situation has quickened the adoption of the Constitution of the Federal Republic of Yugoslavia. This speed might have had some impact on certain solutions which in practice might turn out to be weak points, but it will be possible to change them if a need for that arises.

Serbian Assembly President Aleksandar Bakocevic said this today explaining the proposal to adopt the Constitution of the new Federal Republic of Yugoslavia at the session of the Federal Chamber of the Yugoslav Assembly.

Relations in the new federation are based on the equality of citizens and its [the federation's] members which carry on the continuity of Yugoslavia. The new state has no territorial pretentions to other communities, and it supports the CSCE and United Nations principles, Bakocevic stressed.

Political, Military Figures View New Republic

LD2704222892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1516 GMT 27 Apr 92

[Excerpts] Belgrade, 27 Apr (TANJUG)—It is high time for this part of Yugoslavia to take a stand on its condition, its future, and its relations with the world and with the newly created states on Yugoslav territory, Aleksandar Mitrovic, vice president of the Federal Executive Council, stated to TANJUG following the ceremony to proclaim the Constitution of the Federal Republic of Yugoslavia [FRY]. [passage omitted]

General Blagoje Adzic said: Today is a very important day for the people of Yugoslavia, primarily for the people who have decided and have been given an opportunity to live in their common state of Yugoslavia. Unfortunately, it is great pity that at the present moment the others who also want to live in Yugoslavia cannot do so.

"Our new state of Yugoslavia, as a successor of the former state, will remain open to all those who, in the future, when conditions are ripe, will wish to join this common state. I think that this will be a happy state of happy people."

Adzic is of the view that the resolution of the crisis in the Yugoslav space will, unfortunately, depend not just on the FRY but on numerous other factors and influences and interests which throughout the centuries were directed at the Balkans.

"I am an absolute optimist that we will be able to preserve this state of Yugoslavia and to build our happier future within its borders," General Adzic said.

Dr. Borisav Jovic said: This is an exceptional moment in the efforts to resolve the Yugoslav crisis. From now on all issues will be resolved much easier and faster and will lead to a peaceful outcome of the Yugoslav crisis. It has become clear now what is to happen to the former Yugoslavia. The declaration adopted today defines our attitude to all controversial issues concerning the Yugoslav crisis and its resolution in a way indicating a peaceful road to the solution.

Yugoslavia has told the world what it had to say and it is now up to Europe and America to show if they are genuinely interested in helping the efforts toward a peaceful resolution of the crisis or if they wish something else. It is our intention in our own country to resolve our problems on our own and through constructive cooperation with other countries around us, with Europe and with America, and we sincerely hope that this will be accepted and supported."

The absence of diplomatic representatives of the EC and the United States from today's ceremony was described by Jovic as indicating considerable lack of direction on the part of "some countries." Here at the ceremony we have representatives of probably over 80 percent of the world population and over half of the states with their missions in Belgrade. "The fact that some states did not find it necessary to send their representatives should not signify anything except their rejection of facts which they cannot change," Borisav Jovic said in conclusion. [passage omitted]

Vladislav Jovanovic, Serbia's minister of foreign affairs, said: The adoption of the FRY Constitution is a positive and constructive act designed to stabilize a considerable section of the territory of former Yugoslavia and to contribute to peace efforts and stability in the entire region. "For those who have always been loyal to Yugoslavia and who have decided to stay in it, this is a positive development that will enable them to build their own state instead of living in a 'ruined house.'

"This is a reflection of reality and necessity now that the people of the republics loyal to Yugoslavia have realized that they have to adjust to the existing situation. That is why they have to adopt a new Constitution to reflect the new situation and to reiterate their constructive and principled view of the Yugoslav crisis and their attitude to international factors."

Jovanovic does not expect any changes in the international status of Yugoslavia since, as he put it, "this is not a new but a reorganized Yugoslavia that will continue along the path of the old one. From now on it will appear on the world scene more compact and with a smaller

population. However, in all other aspects it will continue as before within the international community."

Asked about the absence of the diplomatic representatives of the EC and the United States from today's ceremony, Jovanovic noted that "it was everyone's free will to either respond to the invitation or not. This can be interpreted as behavior of very little or no political taste at all. But, the most important fact is that the reality of Yugoslavia's continued existence cannot be changed by a diplomatic decision not to attend the ceremony." In Jovanovic's view, this move will have no serious consequences for relations between the FRY and the countries whose diplomatic representatives refused to attend today's ceremony. [passage omitted]

Kosovo Deputies Boycott Adoption of Constitution

LD2704131792 Belgrade TANJUG Domestic Service in Serbo-Croatian 0858 GMT 27 Apr 92

[Text] Belgrade, 27 Apr (TANJUG)—A group of 13 deputies—Albanians from Kosovo—sent a letter to the deputies in the [Yugoslav Assembly's] Federal Chamber announcing that they will not participate in the chamber's session today, and that they "will reconsider their participation in that chamber ever again."

The letter reiterates the well-known stands of this group about "the illegitimacy of the federal bodies, especially of the Federal Chamber, after representatives of certain republics have left it," and stresses that "the culmination of all that is the session convened for 27 April, at which the Constitution of the so-called Federal Republic of Yugoslavia should be adopted." Not denying the right of any nation—including Albanians—to self-determination and the formation of independent states or their joining in any kind of state associations—but on the basis of a constitution and the practice of civilized societies—in the capacity of deputies in that Chamber, we want to point out that the method of preparing this constitution and its presentation to the Federal Chamber is the most blatant method of manipulation of that chamber."

The letter is endorsed by three deputies—Albanians from Kosovo—in the Chamber of Republics and Provinces, who have also announced that they will not participate in the proclamation of the Constitution of the Federal Republic of Yugoslavia either.

Diplomatic Missions Informed of New State

LD2704160792 Belgrade TANJUG in English 1457 GMT 27 Apr 92

[Text] Belgrade, April 27 (TANJUG)—Only a few minutes after the adoption of the Constitution of the Federal Republic of Yugoslavia, the world was officially informed about the reorganization of the Socialist Federal Republic of Yugoslavia. The Federal Secretariat for Foreign Affairs on Monday [27 April] sent a note to all diplomatic missions and representations of international organizations in Belgrade, informing them officially of the constitutional changes, as TANJUG's diplomatic editor was informed.

All Yugoslav diplomatic and consular offices abroad will also inform their host countries about the constitutional changes.

The note sets out the basic political principles and goals of the Federal Republic of Yugoslavia which are of importance for the continuity of Yugoslavia's international and legal subjectivity.

The Federal Secretariat for Foreign Affairs note underscores that the Constitution adopted on Monday, based on the continuation of the subjectivity of Yugoslavia and the legitimate decisions of Serbia and Montenegro to continue living together in Yugoslavia, the Socialist Federal Republic of Yugoslavia is being reorganized into the Federal Republic of Yugoslavia.

All countries worldwide are informed that the Federal Republic of Yugoslavia will strictly observe the continuity of the international and legal subjectivity of Yugoslavia, and continue to implement all the rights and obligations of the Socialist Federal Republic of Yugoslavia in international organizations and international agreements ratified by Yugoslavia.

The note sets out that the Federal Republic of Yugoslavia will cooperate with all participants in the conference on Yugoslavia, and for an urgent and just division of rights and obligations of the Socialist Federal Republic of Yugoslavia between the Federal Republic of Yugoslavia and the other republics. Diplomatic, consular and other representations of foreign countries and international organizations in Yugoslavia will continue to enjoy the same status in the Federal Republic of Yugoslavia.

One detail in the note draws attention. It says that at the end of the conference on Yugoslavia, the diplomatic and consular representations of the Federal Republic of Yugoslavia will, if asked, offer consular protection and other services to physical and legal persons from the former four Yugoslav republics—Croatia, Slovenia, Macedonia and Bosnia-Hercegovina.

Presidency Session Deals With Current Issues

LD2704185492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1748 GMT 27 Apr 92

[Text] Belgrade, 27 Apr (TANJUG)—A session of the SFRY [as received] Presidency was held in Belgrade this afternoon. The session was chaired by Vice President Branko Kostic and attended by Slobodan Gligorijevic, president of the SFRY Assembly; Aleksandar Mitrovic, vice president of the Federal Executive Council; Petar Gracanin, federal secretary for internal affairs; Colonel General Blagoje Adzic, acting federal secretary for national defense; and Milivoje Maksic, deputy federal secretary for foreign affairs.

After consultations with the Supreme Defence Council of the Federal Republic of Yugoslavia [FRY], and acting in line with the Constitution of the FRY adopted today, the SFRY Presidency passed a decision instructing the Armed Forces supreme command staff to draw up a plan as soon as possible for implementing the FRY Constitution, or rather those provisions concerning the Army of the Republic of Yugoslavia, with the aim of contributing to the peaceful solution of the Yugoslav crisis.

The plan is expected to provide for the transformation of the Yugoslav People's Army [JNA] into that FRY Army that would operate on FRY territory and consist of FRY citizens. This implies transferring FRY citizens in the JNA from the territories of other republics to FRY territory, and vice versa.

The SFRY Presidency endorsed a report on talks conducted on 26 April 1992 in Skopje with Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, about the status of the JNA in Bosnia-Hercegovina. In view of the fact that 80 percent of JNA personnel in Bosnia-Hercegovina consist of citizens of Bosnia- Hercegovina, the SFRY Presidency has decided to authorize the acting federal secretary for national defense to resume talks about the JNA's status in Bosnia-Hercegovina with the competent representatives of that republic in line with the newly created constitutional situation and political negotiations in the republic.

The SFRY Presidency emphasized the importance of the conference on Bosnia-Hercegovina in Lisbon and of the urgent need to find a political solution to the situation in that republic which will facilitate efforts to successfully overcome all other problems, including military problems, a statement issued after the session says in conclusion.

Assembly Chamber Elections Set for 31 May

LD2704174192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1514 GMT 27 Apr 92

[Text] Belgrade, 27 April (TANJUG)—The Federal Chamber of the SFRY Assembly today adopted two decisions—a decision to call elections for the Federal Assembly and a decision on the composition of the Federal Electoral Commission.

Elections for federal deputies to the Chamber of Citizens of the Federal Assembly will be held in member-republics on 31 May 1992. Before these elections are concluded, elections for deputies to the Chamber of Republics will be held [sentence as received]. Preparations for the election of deputies to the Chamber of Citizens will start on the day of adoption of a republican law on the establishment of electoral wards.

According to a decision on the composition of the Federal Electoral Commission, Federal Court Judge Rajko Nisavic was appointed its chairman, while Ljiljana Petkovic, secretary of the committee of the SFRY Assembly's Federal Chamber for socio-political relations, was appointed its secretary.

Federal Court Judge Borivoje Vukicevic, Deputy Federal Public Prosecutor Djuro Trbojevic, Federal Court Judge Djordje Semic, and Deputy Federal Public Prosecutor Lazar Raonic were appointed members of the Federal Electoral Commission.

National Bank Ready To Exchange Old Dinars

LD2604143192 Belgrade TANJUG in English 1321 GMT 26 Apr 92

[Text] Belgrade, Apr 26 (TANJUG)—The National Bank of Yugoslavia is ready to exchange the present Yugoslav currency, the dinar, immediately after tomorrow's adoption and promulgation of the Constitution of a new Federal State of Yugoslavia, the name to be given to a joint state of Serbia and Montenegro—Vice-Governor of the National Bank of Yugoslavia (NBJ) Branko Dragas said on Sunday [26 April].

Dragas explained that the exchange for a new dinar is "one among the steps aimed at surmounting the (?existing) monetary chaos."

The Yugoslav monetary system, originally made up of six republics, has so far been left by secessionist Slovenia and Croatia.

The government of the central Yugoslav Republic of Bosnia-Hercegovina (BIH), the independence of which was recognized by the European Community on April 6, told the NBJ that it decided to retain the dinar as its means of payment also during the second quarter of the year.

In speaking of the possible difficulties in the way of performing monetary control in the BIH, Dragas said that the BIH Government's decision yet gave no guarantees that it might not be changed soon.

Dragas pointed out that a similar decision had earlier been confirmed also by the Republic of Macedonia. But, he said, on Saturday [25 April], Macedonia hinted that its parliament might already on Sunday make a decision on its own currency and already tomorrow begin the exchange of money.

Serbia

Vice President Kostic Receives Russian Ambassador

LD2704144692 Belgrade TANJUG in English 1350 GMT 27 Apr 92

[Text] Belgrade, April 27 (TANJUG)—Yugoslav State Presidency Vice-President Branko Kostic on Monday [27 April] received the ambassador of Russia in Belgrade, Gennadiy Serafimovich Shikin, at his request.

Ambassador Shikin told Kostic that Russia recognized the international and legal continuity of the Federal Republic of Yugoslavia. He also informed Kostic that

Russia decided to recognize Bosnia-Hercegovina as an independent and sovereign republic, in view of the fact that the Federal Republic of Yugoslavia was proclaimed on Monday.

Kostic informed Ambassador Shikin about the developments in Yugoslavia and underscored the determination of the Yugoslav leadership for a peaceful settlement of the Yugoslav crisis through negotiations. He pointed out that a just and peaceful solution of the crisis in Bosnia-Hercegovina was only possible through negotiations and respect for the interests of all three constituent nations, adding that the Yugoslav leadership would continue to uphold European Community-sponsored negotiations in this direction.

Emphasizing that the new Federal Republic of Yugoslavia does not have any territorial claims towards Bosnia-Hercegovina or other neighbours, Kostic noted that Yugoslavia supported and believed in the United Nations peacekeeping plan which is to resolve the status of Serbs in the Republic of Croatia.

Further Military Action Considered Unlikely

AU2704074392 Belgrade POLITIKA in Serbo-Croatian 19 Apr 92 p 9

[Ljubodrag Stojadinovic commentary: "There Will Be No 'Storm'"]

[Text] The people are no longer anxious about the horrible inflation, or the possibility of a "cordon sanitaire" around Serbia, or expulsion of rump Yugoslavia from the CSCE, or even from the United Nations. Fear has sprung of something that would be very hard to bear, particularly by a nation that is seriously threatened by mass neurosis (it might have already started). Will there or will there not be a "Balkan storm," or, as one Moscow newspaper put it, "tempest," which would, following unbearable media pressure, be aimed at punishing Serbia and the army of a former federal state?

Such questions are unavoidable these days. In the depressing everyday life, common people no longer trust the wisdom of politics, or the might of arms. Consciousness of national sacrifice for the sake of dignity has the tone of a pathetic disassociation from the truth, which is anything but good. From the high spheres of the arrogant continental and overseas powers there come humiliating sermons with overtones more suited for communication with the disobedient. Is that the way to talk to a nation and its legitimate representatives, and all that based on distorted eyesight in searching for the culprits and victims of the Balkan tragedy? Maybe the key question lies in the dilemma about whether to "show teeth" with an extreme military and diplomatic bristling, or to accept cooperation, which would imply a certain amount of servility.

However, at this moment we are more interested in the possibility of a military option, the mere mention of which is a method of severe political pressure. The use of force, of course, is left for the end of the story, if things run completely out of control. Such a development is possible in Bosnia-Hercegovina, but the "storm" is less likely to happen for two key reasons. The first lies in the fact that America's interests do not lie in the Balkans, but in the western Meditteranean, the Middle East, and North Africa. Despite all the anger, and a sudden lack of tact, coming from the State Department, there is always a disassociation present, as contained in the sentence that "America will not, under any circumstances, intervene with military force." That disassociation is not there because of any principled peacemaking on Washington's part, but rather for reasons dictated by interests and the distributuion of power.

The second reason is of a strictly practical nature. The European Union, which is displaying ambitions of rivalry toward the NATO agreement, has yet to form forces for intervention in crisis areas of the continent. It is a mistake to believe that an expedition of some 10,000 people could be sent into the Balkan boiling pot with any chance of a single one of them ever seeing his democratic homeland again after an aggression on Serbian regions or Serbia itself. On the other hand, it is a very expensive business, which does not bring many rewards, except the temporary friendship of the fighter of "jihad." We must not forget the fact that Europe still sees the war in former Yugoslavia as an exotic television game, watched with a feeling that something ugly is going on, but it is sufficiently far from them. But if their own people start dying there, then new emotions emerge toward hell, and also toward a category of death in it.

And finally, an attempt at an invasion by an expedition of more than 10,000 people would mean a large military operation by Europe on its own continent, which would inevitably lead to all-out war. Can we question the rationality of such a prediction in a situation when, unlike in 1914 and 1941, Europe is almost united in condemning Serbia?

War has a logic of its own, which is independent of the "consensus minus one" before its outbreak, and it never ends according to plan. Therefore, the mere fact that there are some 800,000 armed people on the territory of former Yugoslavia, and that they are all fighting each other, completely defies the supposition that it would be more peaceful if yet another army, or combined forces, were to join in the fighting. War spreads along the progression of passion, and that cannot be controlled.

The planners of an eventual "storm" should not think the vengeance by the Yugoslav Army inconceivable, nor should they underestimate its power, and they should keep in mind the extremely confusing situation in Russia in terms of "keys" for activating enormous stocks of global and orbital missiles with nuclear warheads. The balance of fear has not disappeared if there is still a threat of war to Russia from all sides, and while the distribution of nuclear weapons among the former Soviet republics is still a complete mystery. The justified

fear of uncontrolled nuclear chaos has not disappeared, not in America, and even less so in Europe.

There is, of course, the possibility of "strikes from a distance" on selected targets, but that model, no matter how applicable to Libya (1986), is extremely illogical to apply to a part of Europe, both because of the boomerang phenomenon, and because it would be irrational from an operational point of view.

Of course, there is a belief that the set conditions will be enough to adjust rump Yugoslavia to the new order. The military option has not been hinted at for no reason. It creates deep depression in the people, and represents a form of calculated pressure. In that respect, twists of any kind are possible, even some kind of sabre-rattling on the administrative borders of Serbia. We believe that there will be no "storm," or "tempest," here, but not because of the compassion of the tailors of new states, or because of our "falling on our knees" when faced with an ultimatum.

Both Europe and Serbia need peace, and that is what it all boils down to. Everyone knows perfectly well that there will be no peace in Europe if there is no peace in Serbia.

DSK Leader Urges JNA Withdrawal From Kosovo

LD2404144492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1213 GMT 24 Apr 92

[Text] Pristina, 24 Apr (TANJUG)—Chairman of the Democratic Alliance of Kosovo [Demokratski Savez Kosova, DSK] said at a news conference today in Pristina that "Albanians also have a right to create their own state, even if it is the second Albanian state in the Balkans." "This would not be a greater, but a normal Albania," Rugova said. Unlike others, he said, the Albanians will create their state by peaceful means.

The leader of the largest party rallying Albanians in the territory of former Yugoslavia had a message for the Serbs, who, as he said, should not play with fire if they wish to remain in Kosovo, and he called on his compatriots to be vigilant.

In connection with the recent reequipping of the Yugoslav People's Army [JNA] garrison in Vucitrn, Rugova warned the army leadership that "that garrison and the entire JNA should be withdrawn from Kosovo before it is too late."

Most Albanians in Kosovo Said Not To Want War

AU2704071692 Belgrade POLITIKA in Serbo-Croatian 16 Apr 92 p 19

[Z. Zejneli commentary: "The Workings of Ibrahim Rugova's Financial Police"]

[Text] Pristina, 15 Apr—Although frequent and various statements are made to the public from sessions of the so-called coordinating committee of Albanian political parties, which are meant to show how unified these parties are in their demands and aims, there are still some things that divide them.

At the moment, the main issue is when and how to organize elections for all the organs of "Kosovo republic," how to finance them, and whom to nominate as candidates. And then how to go about creating a separate republic, whether to create it, and "Greater Albania," by force, or to wait for the right moment?

Subjective World Public Opinion

For a long time now some of the very extreme political parties in Kosmet [Kosovo and Metohija] have been proposing the so-called war option for the achievement of the aim that is common to all the political parties there—the creation of "Kosovo republic." They even go as far as persuading the Albanians in remote parts of Kosmet that the American 6th Fleet "is well on its way towards the Drim River, and will help in the creation of the republic." But others, however, believe that this aim can be achieved in a peaceful way, as it has been done in Macedonia, where the republic of "Ilirida" is practically already functioning. So the Macedonians become a minority in their own country, and the Albanians become a nation by virtue of their number.

Those who propose waiting are still holding talks with their friends in Europe and America, where there is a very strong Albanian lobby (about 180 thousand Albanians), which finances the creation of "Kosovo republic" in Yugoslavia. The most active is the self-appointed prime minister, Dr. Bujar Bukoshi, who has offices in several European cities, and, being a German student, is allowed access to many European institutions. With such activities, and with the money gained by blackmarketeering with foreign currency, weapons, and mainly drugs, the Albanians have managed to animate the world public opinion, while the Albanian lobby in America is openly demanding that Kosmet gets a republican status, and by accusing Serbia, expresses its "great concern" about the violation of human rights in Kosovo.

The distorted picture of Albanians and their rights in Serbia comes from letters, documents, and photographs, with which the Albanians supply their lobby, and the lobby then presents these to various institutions. The world and the European public still believes that there indeed has been a case of "one nation poisoning" in Kosmet, although even those who support the Albanians and their rights know that there is no such thing as a poison that works only against Albanians, or Serbs, or any other single nation.

The claims that Albanians are being dismissed from jobs are also incorrect. Every legal state would act in the same way as the organs of authority in Kosmet. There are reasons for dismissals, but they come from the fact that the Albanians do not accept Serbia as their country, and therefore do not act according to the laws of the state they live in. The authorities in America, Germany, France, and other countries, would act the same way.

Anyway, if one takes into account that there are 230,000 employed people in Kosmet, and that 200,000 of them are Albanians, then the figure of 35,000 does not mean that all Albanians are being dismissed.

The claims that the Albanians in Kosmet are in grave jeopardy are the result of a unilateral presenting of arguments. That is proved by the arrivals of many delegations from Western countries, which hold public or clandestine meetings with Albanians only. They do not seem to know of the existence of Serbs, Turks, Montenegrins, Muslims, Gypsies, and other ethnic groups that live in Kosmet.

Readiness for War

Nobody, for example, questions the endangering of Albanians by their own political leaders and advisers from various countries. It is a well-known fact that Ibrahim Rugova has formed a so-called financial police, which pays monthly visits to private businesses in Kosmet (there are about 30 thousand of them), and demands eight percent of their monthly income for "Kosovo republic". Those Albanians who refuse to pay are faced with repressive measures by Albanian separatists, and there are frequent fights between organized business owners and the police.

The political parties in Kosmet have endangered the very survival of Albanians. Many of them are barely surviving. However, the state of Serbia enables all those who so wish, and meet certain conditions, to acquire business space, to buy apartments, send their children to school....

Although the Albanians are united, there is no united attitude towards the so-called war option in achieving the statehood of Kosmet, and the creation of "Greater Albania." Most Albanians are not in favor of a conflict, and all the more so because they know that the state would react with energetic measures to protect its territory. The belief that Albania would help is totally misplaced, since it has even dismissed its army from all its borders, including the ones with Yugoslavia, that is, Serbia.

Although the extremists are promoting war against Serbia, the majority of Albanians are not ready for a conflict. The extremists, on the other hand, need a conflict in order to draw attention to themselves, and secure the arrival of the "blue helmets" in Kosmet.

Ethnic Hungarians Support 'Three-Partite' Autonomy

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[Text] Kanjiza, April 25 (TANJUG)—The leadership of the Party of Ethnic Hungarians in Serbia's Vojvodina Province adopted on Saturday [25 April], at a session behind closed doors a document on the three-partite system of autonomy as a model for the possible solution of the position of national minorities in Yugoslavia.

"We have not proclaimed autonomy, but prepared a concept on an autonomy which we would like to have," said the president of the Democratic Union of the Vojvodina Hungarians, Andras Agoston.

The creator of the concept, which has so far not been presented to the public, Sandor Hodi, said that in question is a system of territorial, pesonal and local autonomy which would best suit the local Hungarians and would not be at the expense of others.

[Passage indistinct] population has 350,000 Hungarians. They attend schools at all levels in their native language.

According to statistical data, together with the Serbian language, Hungarian is [words indistinct] spoken in 29 of the total of 45 Vojvodina communes.

Ethnic Hungarians, like other minorities in the province, have their own theatres, publishing houses, art societies, press, television and radio programs, which is much more than ethnic minorities in other European countries have been given.